

2018 HALF-YEAR RESULTS

In the past, the D'Ieteren Auto reportable operating segment included the automobile distribution activities combined with the Group's corporate and real estate activities. From the publication of the 2018 half-year results onwards, the results of the D'Ieteren Auto segment only comprise the automobile distribution activities; the results of the corporate and real estate activities being presented together in a new separate operating segment "Other". The segment statement of profit or loss for the 6-month period ended 30 June 2017 has been restated accordingly to reflect this new presentation.

The transaction whereby CD&R has acquired a 40% stake in Belron closed on 7 February 2018. As from that date, Belron's results are included under equity-accounting method, following the loss of exclusive control. In accordance with the requirements of IFRS 5 "Non-Current Assets Classified as Held for Sale and Discontinued Operations", Belron's results are presented under discontinued operations (94.85% stake) between 1 January 2018 and 7 February 2018 and during H1 2017.

D'Ieteren's average stake in Belron equalled 64.68% in H1 2018. D'Ieteren's stake equalled 94.85% between 1 January and 7 February and declined to 54.85% following the transaction with CD&R on 7 February. On 15 June, Belron implemented an equity-based Management Reward Plan which led to a further reduction of D'Ieteren's stake to 54.11% from that date onwards.

H1 2018 was a very positive semester for D'Ieteren. Its three activities realised solid sales growth and D'Ieteren group's key performance indicator (KPI) – the *adjusted* consolidated result before tax, group's share¹ – of EUR 154.9 million increased by 17.8% assuming a 64.68% stake in Belron in H1 2017.

- **D'Ieteren Auto²**'s solid sales evolution (+9.4%) was underpinned by a positive model mix effect and an increasing share in a rising market. The *adjusted* result before tax, group's share^{1,2} improved by 31.1% reflecting the strong sales growth and operating leverage.
- **Belron's** activities posted strong organic sales growth⁶ (+11.2%) both in Europe and outside Europe. On a comparable basis⁷, the *adjusted* operating result¹ improved by 17.9%. The 5.7% rise in the *adjusted* result before tax, group's share¹ reflects improved operating results in the majority of countries partly offset by higher financial costs following the refinancing of Belron in 4Q 2017.
- **Moleskine's** sales rose by 18.7% at constant exchange rates. This organic growth⁶ was supported in particular by strong sales in EMEA and the Americas, the B2B segment, and the Bags and Moleskine+ categories. EBITDA⁵ improved, reflecting profitable growth. After taking into account a EUR 1.5 million charge related to the long-term incentive program, costs related to the change of business model in Japan and strategic development initiatives, the operating result reached EUR 5.2 million (EUR 6.1 million in H1 2017). The *adjusted* result before tax, group's share¹ reached EUR 0.4 million (EUR 1.0 million in H1 2017).
- **Other** (including corporate and real estate activities) reported an *adjusted* result before tax, group's share¹ of EUR -3.6 million in H1 2018 compared to EUR -2.2 million in H1 2017.

D'Ieteren has previously communicated that it aims for a mid-to-high single digit improvement for its *adjusted* consolidated result before tax, group's share¹ in FY 2018. Following the encouraging H1 2018 results, D'Ieteren now anticipates 10-15% growth. This guidance assumes an average USD/EUR rate of 1.18 and a rebase of the weighted average stake in Belron in FY 2017 as it is expected to be in FY 2018 at 57.78%.

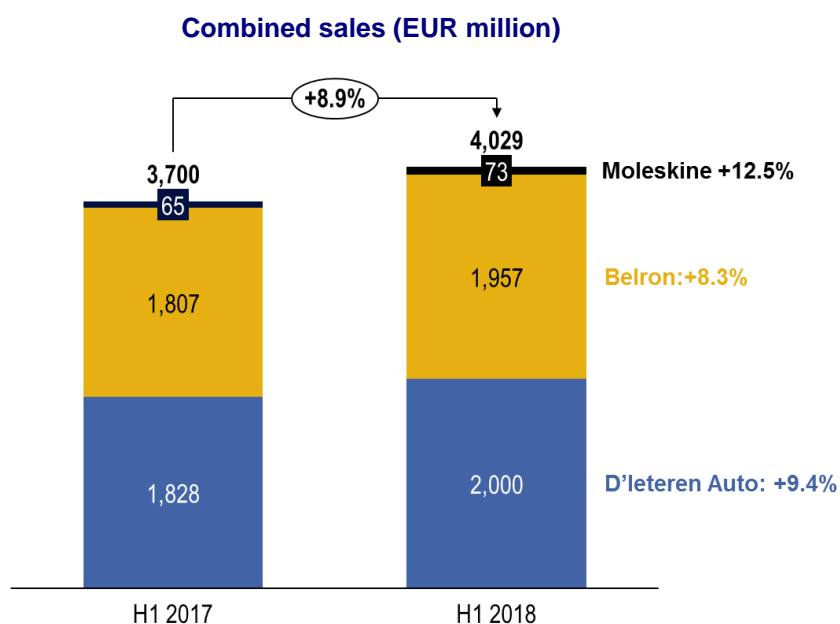
GROUP SUMMARY

A. SALES

Consolidated sales under IFRS amounted to **EUR 2,072.2 million (+9.5%)**. This figure excludes Belron. **Combined sales** (including 100% of Belron) amounted to **EUR 4,029.4 million (+8.9% compared to H1 2017)**.

Combined sales are broken down as follows:

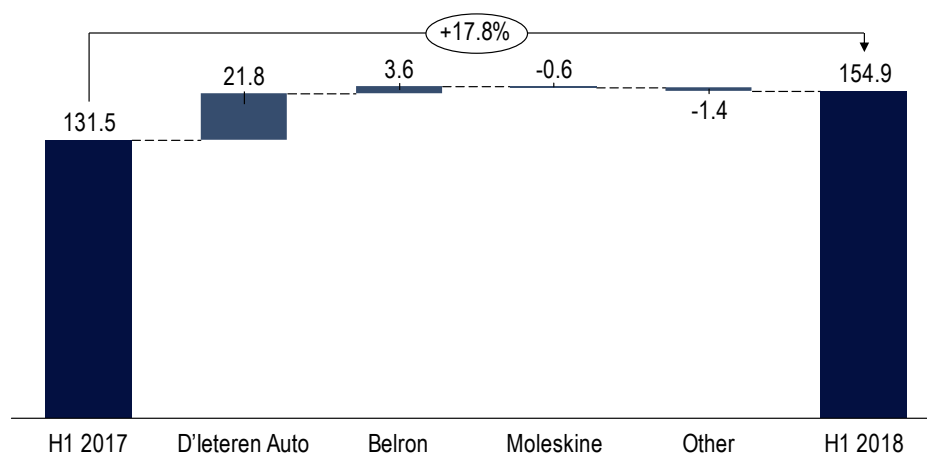
- **D'Ieteren Auto:** EUR 1,999.5 million, **+9.4%** year-on-year on the back of a higher market share in a growing market and a positive model mix effect. Excluding registrations of less than 30 days³, Belgian new car registrations rose by 2.6% year-on-year and D'Ieteren Auto's market share² reached 21.95% (+91bps). The total number of vehicles, including commercial vehicles, delivered by D'Ieteren Auto rose by 1.7% to 73,178 units in H1 2018.
- **Belron:** EUR 1,957.2 million, **+8.3%** comprising an 11.2% organic increase⁶ and 2.2% growth from acquisitions partially offset by a negative currency translation impact of 5.1%. The sales momentum was strong both in Europe and outside Europe.
- **Moleskine:** EUR 72.7 million, **+12.5%** or by 18.7% at constant exchange rates. This organic growth⁶ was supported in particular by strong sales in EMEA and the Americas, the B2B segment, and the Bags and Moleskine+ categories.



B. RESULTS

- The **consolidated result before tax (under IFRS)** reached EUR 96.8 million (EUR 62.7 million in H1 2017) (see page 20 of this press release for further details).
- Our key performance indicator – the **adjusted consolidated result before tax, group's share**¹ – amounted to EUR 154.9 million, up 17.8% on a comparable basis (64.68% stake in Belron). It breaks down as follows:
 - **D'Ieteren Auto**²: EUR 91.8 million, +31.1% year-on-year, reflecting the combined effect of solid sales growth, a positive model mix effect and operating leverage.
 - **Belron**: EUR 66.3 million, up 5.7% year-on-year reflecting strong *adjusted* operating profit¹ growth partially offset by higher net financial charges following Belron's refinancing in Q4 2017.
 - **Moleskine**: after taking into account a EUR 1.5m charge related to the quarterly provisioning of the long-term incentive program, costs related to the change of business model in Japan and strategic development initiatives, the operating result reached EUR 5.2 million in H1 2018 (EUR 6.1 million in H1 2017). The *adjusted* result before tax¹ equalled EUR 0.4 million (EUR 1.0 million in H1 2017).
 - **Other (including corporate and real estate activities)**: EUR -3.6 million compared to EUR -2.2 million in H1 2017.

Segment contribution to the increase in *adjusted* PBT, g.s.¹ (EUR million)



- The **group's share in the net result for the period** equalled EUR 1,082.4 million (EUR 77.0 million in H1 2017). The H1 2018 figure includes the consolidation gain associated with the loss of control on the sale of a 40% stake in Belron to CD&R. The *adjusted* net profit, group's share¹, reached EUR 121.9 million, down 6.4% year-on-year. The decline is due to a higher net tax charge at D'Ieteren Auto and Belron and the lower stake in Belron.

D'IETEREN AUTO

- Excluding registrations of less than 30 days³, the Belgian market increased by 2.6% year-on-year and D'Ieteren Auto's share reached 21.95% in H1 2018 (21.04% in H1 2017).
- New vehicle sales rose by 10.0% to EUR 1,781.7 million reflecting a higher market share in a growing market and a positive model mix effect. Total sales rose by 9.4% to EUR 1,999.5 million.
- The operating result of D'Ieteren Auto² reached EUR 83.7 million (EUR 64.6 million in H1 2017):
 - The *adjusted* operating result^{1,2} increased by 29.4% to EUR 88.1 million. The strong performance mainly reflects higher volumes, a positive model mix effect and operating leverage.
 - The *adjusting* items^{1,2} comprised in the operating result (EUR -4.4 million) relate to the implementation of the Market Area strategy.
- The result before tax² rose by 36.8% to EUR 89.2 million.
- The *adjusted* result before tax, group's share^{1,2}, reached EUR 91.8 million (EUR 70.0 million in H1 2017), up 31.1%.
- The Belgian car market is expected to decline slightly in H2 2018 due to longer delivery lead times following the introduction of WLTP as from 1 September 2018.
- The *adjusted* result before tax, group's share^{1,2}, is expected to improve by about 15% (previous guidance: "improve slightly") in FY 2018.

€m	H1 2017			% change adjusted items	H1 2018			%change total
	Total IFRS	APM (non-GAAP measures) ¹			Total IFRS	APM (non-GAAP measures) ¹		
		A adjusting items	A adjusted items			A adjusted items	A adjusting items	
New vehicles delivered (in units)	71,987	-	-	-	-	-	73,178	1.7%
External sales	1,828.1	-	1,828.1	9.4%	1,999.5	-	1,999.5	9.4%
Operating result	64.6	-3.5	68.1	29.4%	88.1	-4.4	83.7	29.6%
Net finance costs	-1.1	-	-1.1	-18.2%	-0.9	0.5	-0.4	-63.6%
Result before tax (PBT)	65.2	-3.6	68.8	31.0%	90.1	-0.9	89.2	36.8%
Adjusted PBT, group's share ¹	-	-	70.0	31.1%	91.8	-	-	-

1.1. Activities, sales and results

Market, share and deliveries

Excluding registrations of less than 30 days³, the number of new car registrations in Belgium increased by 2.6% year-on-year to 323,025 units. Including these registrations, the Belgian market totalled 331,369 new car registrations, up 2.8% year-on-year. The share of diesel cars continued to decline (36% in H1 2018 compared to 47% in H1 2017). The share of new energy engines (electric, hybrid, CNG and LPG) rose from 5% in H1 2017 to 6% in H1 2018. Growth in new car registrations was mainly driven by the individual customer market. Demand was stable in the business segment. SUV's remained popular. Their share rose from 30% in H1 2017 to 37% in H1 2018 on the back of strong demand for small and medium sized SUV models.

The successful Brussels Motor Show that took place in January resulted in a well-filled orderbook for D'Ieteren. Excluding registrations of less than 30 days³, the market share of the brands distributed by D'Ieteren Auto reached 21.95% in H1 2018 (vs 21.04% in H1 2017). Including these registrations, the market share equalled 21.51% (vs 20.70% in H1 2017).

Volkswagen reinforced its leadership position with a market share³ of 10.30% (+92 bps year-on-year) thanks to higher demand for the Tiguan (5th most popular car in Belgium), the T-Roc and the Arteon. The Volkswagen Golf remained the most popular car on the Belgian market. Audi's market share³ reached 5.66% (-38bps) supported by higher A5 and Q5 volumes. SEAT's share³ improved by 59bps to 1.95% thanks to the success of the Arona and Ateca. Škoda's share³ declined slightly (-23bps to 3.41%) with good volumes in its popular SUV models (Karoq and Kodiaq). Škoda's lower market share reflects production delays and lower demand for the Octavia and Superb models. Porsche's stable market share³ (0.62%) reflects higher registrations of the 911 and Panamera.

Registrations of new light commercial vehicles (0 to 6 tonnes) fell marginally (-1.1%) to 42,902 units. D'Ieteren Auto's market share declined by 67bps to 10.35% due to a temporary suspension of deliveries of T6 passenger vans at the beginning of the year.

Registrations of new light commercial vehicles (0 to 6 tonnes) fell marginally (-1.1%) to 42,902 units. D'Ieteren Auto's market share declined by 67bps to 10.35% due to a temporary suspension of deliveries of T6 passenger vans at the beginning of the year.

The total number of new vehicles, including commercial vehicles, delivered by D'Ieteren Auto in H1 2018 reached 73,178 units (+1.7% compared to H1 2017).

Sales

D'Ieteren Auto's sales increased by 9.4% to EUR 1,999.5 million in H1 2018 reflecting higher volumes and a positive model mix (more SUV's) effect. New vehicle sales increased by 10.0% to EUR 1,781.7 million. The sale of spare parts and accessories reached EUR 98.5 million (+4.0% year-on-year). Revenues from after-sales activities of the corporately-owned dealerships increased by 20.1% to EUR 52.0 million. This strong rise is partly due to a perimeter effect following the inclusion of Rietje. At constant perimeter, these revenues increased by 13.4%. Used vehicle sales amounted to EUR 36.7 million (+2.8%). D'Ieteren Sport's sales, which are mainly comprised of Yamaha motorbikes, quads and scooters, increased by 7.7% to EUR 19.5 million.

Rietje, the latest acquisition on the Antwerp-Brussels axis, was included in D'Ieteren Auto's accounts as from 1 January 2018. The acquisition, which included Volkswagen (cars and commercial vehicles), Audi and Škoda dealerships and a multi-brand body shop in the northern Antwerp region, had a positive impact of EUR 9.1 million on consolidated sales (after elimination of intracompany sales) in H1 2018.

Net figures ³	HY 2017	FY 2017	HY 2018
New car market (in units)	314,890	533,385	323,025
% change yoy	5.1%	2.7%	2.6%
Total market share new cars	21.04%	21.29%	21.95%
Volkswagen	9.38%	9.42%	10.30%
Audi	6.04%	6.22%	5.66%
Škoda	3.64%	3.60%	3.41%
Seat	1.36%	1.40%	1.95%
Porsche	0.61%	0.64%	0.62%
Bentley/Lamborghini	0.02%	0.02%	0.01%
Market share light commercial vehicles (gross figures)	11.02%	10.69%	10.35%

Results (excluding Corporate, D'Ieteren Immo and Gallery)

The operating result² reached EUR 83.7 million (EUR 64.6 million in H1 2017). The *adjusted* operating result^{1,2} increased by 29.4% to EUR 88.1 million due to higher volumes and the positive model mix effect. Inventory write-downs declined due to the transfer of buy-back agreements with rental car companies mostly to VDFin. Overhead costs were under control following the implementation of efficiency programs. The *adjusting* items¹ (EUR -4.4 million) are related to the implementation of the Market Area strategy.

Net financial expenses equalled EUR 0.4 million in H1 2018 (EUR 1.1 million in H1 2017). Note that D'Ieteren group's treasury activities are no longer included under the D'Ieteren Auto reporting segment. Excluding *adjusting* items¹, *adjusted* net financial expenses¹ reached EUR 0.9 million in H1 2018.

The result before tax² reached EUR 89.2 million (+36.8%) or EUR 90.1 million (+31.0%) excluding *adjusting* items¹. The *adjusted* result before tax, group's share^{1,2}, rose by 31.1% to EUR 91.8 million. The contribution of the equity accounted entities to the *adjusted* result before tax, group's share^{1,2}, amounted to EUR 4.6 million (EUR 3.0 million in H1 2017).

Income tax expenses reached EUR 28.9 million (EUR 7.5 million in H1 2017). *Adjusted* tax expenses¹ equalled EUR 30.4 million (compared to EUR 9.3 million in H1 2017). The rise in tax expenses is due to higher profits and a lower level of tax credits. Note: the Belgian corporate tax rate which fell from 33.99% in 2017 to 29.58% in 2018 will decrease to 25% from 2020 onwards.

The result after tax, group's share, amounted to EUR 60.3 million (EUR 57.7 million in H1 2017). The *adjusted* result after tax, group's share^{1,2}, was almost flat at EUR 59.7 million reflecting a significantly higher result before tax that was offset by higher tax expenses.

1.2. Net cash and cash flow

D'Ieteren Auto's net cash position reached EUR 3.5 million at the end of June 2018. This figure excludes the net cash balance of the group's treasury activities (see page 24 of this press release for more details).

The free cash flow (after tax) reached EUR 24.9 million in H1 2018 compared to EUR 102.0 million in H1 2017. The improved *adjusted* EBITDA^{1,5} (EUR 91.7 million in H1 2018 versus EUR 71.3 million in H1 2017) was more than offset by higher working capital needs, higher capex and higher taxes paid.

1.3. Key developments

D'Ieteren Auto launched Wondercar, a bodywork franchise network. A new state-of-the-art body shop was opened in Drogenbos (Brussels region). It will replace the existing body shops of Ixelles and Brussels Centre.

A new visual identity was launched for My Way, the used vehicle network. This is in line with D'Ieteren Auto's strategy to increase its market share and brand awareness in the used vehicle market.

D'Ieteren Auto is conducting negotiations related to the acquisition of dealerships in the Brussels region. This is in line with the Market Area strategy which aims at a coherent approach, leadership and operational excellence in each of the 25 Market Areas. D'Ieteren plays the role of Market Leader in Brussels, Antwerp and Mechelen.

D'Ieteren Auto acquired the Audi and Bentley dealership in Knokke in order to fully develop these premium and luxury brands in a town with exclusive standing.

D'Ieteren Auto is accelerating its digital transformation and adapting its marketing approach accordingly. It is investing in digital and mobile platforms and reinforcing its internal organisation. The goal is to develop an in-depth knowhow in digital processes and data management in order to personalize and optimize the customer experience.

1.4. Activity outlook 2018

The Belgian new car market, excluding registrations of less than 30 days³, should be slightly down (y/y) in H2 2018 because of the introduction of WLTP as from 1 September 2018. All car model variants need to be tested and certified in accordance with this new method. This will likely slow down the sales of the model variations for which the new homologation is not yet completed. We also expect longer delivery lead times for several popular models, and it may reduce the number of model variations in production in the short term.

At the end of July, D'Ieteren Auto's order book was 20% and 24% higher compared to the end of July 2017 and to the end of July 2016. Note that 2016 and 2018 were both "major" Brussels Motor Show edition years. The orderbook reflects the success of the new SUV's and delivery delays.

The attractive pipeline of H2 2018 includes the launch of the Audi Q8 and e-tron. The following models will be replaced: Audi Q3, A6 and A1, the Porsche 911 and the SEAT Ibiza. The Audi TT, Škoda Fabia and Porsche Macan will receive a facelift.

The *adjusted* result before tax, group's share^{1,2}, is expected to improve by about 15% (previous guidance: "improve slightly") in FY 2018.

BELRON

At Belron's level (at 100%):

- External sales (EUR 1,957.2 million) rose by 8.3% in H1 2018, comprising 11.2% organic growth⁶, 2.2% growth from acquisitions partially offset by a negative currency translation effect of 5.1%. Belron served 9.25 million consumers (of which 6.84 million in Vehicle Glass Repair and Replacement), an increase of 11% compared to H1 2017.
- The operating result reached EUR 106.9 million (EUR 72.6 million in H1 2017):
 - The *adjusted* operating result¹ rose by 26.8% to EUR 146.0 million or by 17.9% on a comparable basis (after having applied a EUR 10.3 million depreciation charge in H1 2018) (see details on the following page).
 - *Adjusting items* amounted to EUR -39.1 million compared to EUR -42.5 million in H1 2017.

At the level of the reporting segment of Belron in D'Ieteren's consolidated accounts:

- The result before tax totalled EUR 1,066.2 million (EUR 54.5 million in H1 2017). The H1 2018 figure includes the consolidated gain on the disposal of the 40% stake in Belron.
- The *adjusted* result before tax, group's share¹, reached EUR 66.3 million compared to EUR 62.7 million (restated to reflect the same weighted average stake of 64.68% as in H1 2018). The EUR 3.6 million rise reflects a strong improvement in the underlying operating performance that was partly offset by significantly higher financial charges following the refinancing of Q4 2017.
- Whereas previously Belron aimed at moderate organic sales growth in FY 2018, it now expects close to 10% growth. The *adjusted* result before tax, group share¹ should improve by about 15% (previous guidance: 'high single digits') in FY 2018. The revised guidance assumes an average USD/EUR rate of 1.18. The guidance is based on the same stake (57.78%) in Belron in FY 2017 as in FY 2018.

€m	H1 2017			% change adjusted items	H1 2018			% change total
	Total IFRS	APM (non-GAAP measures) ¹			Total IFRS	APM (non-GAAP measures) ¹		
		A djusting items	A djusted items			A djusted items	A djusting items	
Number of consumers (million)	8.3	-	-	-	-	-	9.2	11.3%
External sales	1,806.8	-	1,806.8	8.3%	1,957.2	-	1,957.2	8.3%
Operating result	72.6	-42.5	115.1	26.8%	146.0	-39.1	106.9	47.2%
Net finance costs	-18.1	-	-18.1	56.9%	-28.4	987.7	959.3	-
Result before tax (PBT)	54.5	-42.5	97.0	21.2%	117.6	948.6	1,066.2	1856.3%
Adjusted PBT, group's share ¹ (@ 64.68%)	-	-	62.7	5.7%	66.3	-	-	-

2.1. Sales and results

Sales

Belron's sales reached EUR 1,957.2 million during H1 2018, a year-on-year increase of 8.3%, comprising a 11.2% organic increase⁶ and 2.2% growth from acquisitions offset by a negative currency translation impact of 5.1%.

The total number of consumers served reached 9.25 million, an increase of 11% compared to H1 2017. The core VGRR business showed strong growth with 6.84 million consumers served compared to 6.34 million in H1 2017. This positive trend was partially due to favourable winter conditions in both Europe and North America but also reflects share gains on both continents. Belron continued to expand its claims management activities with 2.16 million consumers served in H1 2018 (1.89 million in H1 2017). The rise in ADRR and HDRR consumers reflects acquisitions which are in line with Belron's service extension strategy.

Consumers (million)	HY 2017	HY 2018
Vehicle Glass Repair and Replacement (VGRR)	6.34	6.84
Claims Management	1.89	2.16
Automotive Damage Repair and Replacement (ADRR)	0.05	0.08
Home Damage Repair and Replacement (HDRR)	0.03	0.17
Total	8.31	9.25

In Europe (48 % of total), sales increased by 13.7%, consisting of 10.2% organic growth⁶ and 4.4% from acquisitions partially offset by a negative currency translation effect of 0.9%. The European organic sales growth⁶ was particularly strong in France, Spain and the UK. The acquired growth mainly relates to the acquisitions of CARE Carrosserie (ADRR) in Belgium and Maisoning (HDRR) in France which were completed in March 2017 and October 2017 respectively. The translation impact is primarily due to the weaker GBP.

Outside of Europe, sales increased by 3.6% consisting of 11.8% organic growth⁶ and 0.4% from acquisitions offset by a negative currency impact of 8.6%. The USA continues to increase its market share and delivered record sales in H1 2018. The acquired growth primarily relates to the completion of the Laser Group (HDRR) acquisition in Australia and New Zealand in March 2018. The translation impact is due to the weakening of the USD.

Results

The operating result rose by 47.2% to EUR 106.9 million. The *adjusted* operating result¹ improved by +26.8% to EUR 146.0 million reflecting solid improvements both in Europe and outside Europe. Note that according to IFRS 5, Belron's assets and liabilities were classified under 'Non-current assets/liabilities classified as held for sale' as from 28 November 2017 when D'Ieteren and CD&R signed a definitive agreement regarding CD&R's acquisition of a 40% stake in Belron. Under IFRS 5, these tangible and intangible fixed assets were not depreciated between 1 January 2018 and 7 February 2018, which had a positive impact of EUR 10.3 million (at 100%) on Belron's (*adjusted*¹) operating result in H1 2018. If one takes into account the EUR 10.3 million depreciation charge, the *adjusted* operating result¹ increased by 17.9% or by EUR 20.6 million to EUR 135.7 million. The US was the main contributor to this improvement, followed by the UK, France, Germany and Spain.

Charges related to the legacy long-term management incentive programme (3-year rolling plans launched in 2016 and 2017) are included in the operating result and equalled EUR 14.2 million (H1 2017: EUR 13.3 million). The programme has been replaced by an equity-based reward plan or Management Reward Plan (MRP) in June 2018.

Adjusting items¹ at the level of the operating result totalling EUR -39.1 million comprise:

- A transaction bonus related to the disposal of a 40% stake in Belron to CD&R (EUR -33.1 million);
- Remaining professional fees related to the above-mentioned transaction and MRP (EUR -1.8 million);
- Amortisation of brands (EUR -1.2 million) and customer contracts (EUR -2.7 million);
- Gains on US fuel hedges (EUR 0.6 million);
- Other (EUR -0.9 million).

Net financial income (EUR 959.3 million) included the consolidated gain (EUR 987.7 million) on the disposal of the 40% stake in Belron. The *adjusted* net financial expenses¹ rose from EUR 18.1 million in H1 2017 to EUR 28.4 million in H1 2018. The increase is due to the refinancing of Belron in Q4 2017.

The result before tax reached EUR 1,066.2 million in H1 2018 (EUR 54.5 million in H1 2017). *Adjusted* income tax expenses¹ equalled EUR 28.7 million (EUR 23.2 million in H1 2017).

The *adjusted* result before tax, group's share¹ increased by 5.7% to EUR 66.3 million on a comparable basis (assuming 64.68% stake in H1 2017 and in H1 2018).

The result after tax, group's share, rose from EUR 19.8 million in H1 2017 to EUR 1,023.6 million in H1 2018. The *adjusted* result after tax¹, group's share, declined from EUR 70.0 million to EUR 54.0 million (-22.9%). These results are based on a weighted average stake of 64.68% in Belron in H1 2018 versus 94.85% in H1 2017. On a comparable basis (64.68% stake in Belron in H1 2017 and H1 2018), the *adjusted* result after tax¹, group's share, improved from EUR 47.7 million to EUR 54.0 million.

2.2. Net debt and cash flow

Belron's net financial debt⁴ reached EUR 1,264.1 million (100%) at the end of June 2018. This compares with EUR 853.4 million at the end of June 2017 and EUR 1,271.9 million at the end of 2017. See page 24 for more details. The senior secured net leverage ratio reached 3.57.

The free cash flow (after tax) amounted to EUR 103.5 million in H1 2018 compared to EUR -15.0 million in H1 2017. The swing is mainly due to a higher *adjusted* EBITDA^{1,5}, (EUR 22.1 million improvement), lower capex (EUR 57.5 million compared to EUR 106.9 million) and a positive cash inflow impact from working capital changes (EUR 2.6 million) in H1 2018 compared to a cash outflow of EUR 61.3 million in H1 2017. These positive factors were partially offset by higher net interest and tax payments.

2.3. Key developments

The new European distribution centre in Bilzen (Belgium) which opened in June 2018 is already fully operational. It consolidates the three sites previously used in Belgium to become Belron's largest distribution centre.

Belron continued to make good progress on its service extension ambition and integrated the businesses that were acquired in 2017. They include:

- CARe Carrosserie, a specialist in automotive damage repair in Belgium;
- Eurocar Point, a franchise network of 250 body shops in Italy;
- Maisoning, a home repair business in France.

In March 2018, Belron completed the acquisition of the Laser Group, a HDRR franchise operation, in Australia and New Zealand.

A new Management Reward Plan (MRP) involving about 250 key employees was put in place on 15 June 2018. The participants of the MRP acquired equity instruments in Belron Group SA for a total amount of EUR 21.5 million. Part of the issued equity consists of "ratchet shares" which will allow management to enjoy additional returns if certain performance hurdles are satisfied at exit.

2.4. Activity outlook 2018

Whereas previously Belron aimed at moderate organic sales growth in FY 2018, it now expects close to 10% growth.

Belron's contribution to D'Ieteren's *adjusted* result before tax, group's share¹, will reflect D'Ieteren's 94.85% ownership interest between 1 January and 7 February, 54.85% between 7 February and 15 June and 54.11% from 15 June onwards. The evolution in D'Ieteren's stake reflects the disposal of a 40% stake to CD&R and the implementation of Belron's MRP (see above). The revised guidance assumes an average ownership interest of 57.78% in FY 2018.

On a comparable basis (57.78% in 2018 and 2017), Belron's *adjusted* result before tax, group's share¹ is expected to rise by about 15% (previous guidance: "high single digit growth") in FY 2018. The revised guidance assumes an average USD/EUR rate of 1.18 in 2018. The guidance is based on the same stake (57.78%) in Belron in FY 2017 as in FY 2018. Note that in H2 2018, there will still be charges related to the long-term management incentive programmes which were launched in 2016 and 2017. In 2019 these charges will be limited to the programme that started in 2017.

MOLESKINE

- Revenues rose by 12.5% to EUR 72.7 million in H1 2018 or by 18.7% at constant exchange rates. This organic growth was supported in particular by strong sales in EMEA and the Americas, the B2B segment, and the Bags and Moleskine+ categories.
- EBITDA improved, reflecting profitable growth. After taking into account a EUR 1.5m charge related to the quarterly provisioning of the long-term incentive program, costs related to the change of business model in Japan and strategic development initiatives, the operating result reached EUR 5.2 million in H1 2018 (EUR 6.1 million in H1 2017).
- The result before tax reached EUR 0.3 million (EUR 1.0 million in H1 2017).
- Adjusted* result before tax, group's share¹ reached EUR 0.4 million (EUR 1.0 million in H1 2017)
- Unchanged FY 2018 outlook: Moleskine aims at double-digit growth at constant exchange rates for its sales and *adjusted*¹ profit before tax, underpinned by continued sales growth across the regions and improved profit fall-through.

€m	H1 2017			% change adjusted items	H1 2018			% change total
	Total IFRS	APM (non-GAAP measures) ¹			Total IFRS	APM (non-GAAP measures) ¹		
		Adjusting items	Adjusted items			Adjusted items	Adjusting items	
External sales	64.6	-	64.6	12.5%	72.7	-	72.7	12.5%
Operating result	6.1	-	6.1	-14.8%	5.2	-	5.2	-14.8%
Net finance costs	-5.1	-	-5.1	-5.9%	-4.8	-0.1	-4.9	-3.9%
Result before tax (PBT)	1.0	-	1.0	-60.0%	0.4	-0.1	0.3	-70.0%
Adjusted PBT, group's share ¹		-	1.0	-60.0%	0.4	-	-	-

3.1. Sales and results

Sales

Moleskine's sales increased by 12.5% to EUR 72.7 million in H1 2018 or by 18.7% at constant exchange rates. The negative currency effect mainly reflects the weaker USD and HKD. Sales growth, entirely organic⁶, reflects in particular strong sales in EMEA and the Americas, the B2B segment, the Moleskine+ and the bags and small leather goods categories.

Sales growth at constant exchange rates:

- EMEA:** up 26% with growth across the main channels
- Americas:** 19% growth (in B2B, Wholesale and Retail)
- APAC:** -1% with strong B2B and e-commerce sales growth and lighter Wholesale performance driven by the change in business model in Japan and differences in phasing in Australia, China and the Philippines.

Moleskine realized sales growth at constant exchange rates in most of its distribution channels:

- Wholesale** revenues rose by 6.0% reflecting solid growth in EMEA and the Americas partially offset by lower revenues in APAC.

- **B2B** revenues rose by 82.8% with large projects contributing to the strong performance across all geographies and benefitting from delayed 2017 leads and projects.
- **Retail** sales were up 8.5% driven by moderate network expansion (80 directly operated stores at the end of 1H 2018 compared to 78 at the end of H1 2017) and positive like-for-like store sales growth (+3%). 10 stores were closed and 3 were opened during H1 2018. The implementation of retail excellence initiatives across the network continued to be a focus.
- **E-Commerce's** stable revenues reflect growth in Q2 following a drop in Q1 when sales were impacted by some logistics issues linked to the migration to a new platform. The recent launch of the Pen+ Ellipse is expected to contribute to growth in H2 2018.

Results

The operating result reached EUR 5.2 million in H1 2018 compared to EUR 6.1 million in H1 2017 reflecting:

- A EUR 1.5 million charge related to the long-term incentive program. Note: the charge for the full year 2017 (EUR 2.5 million) was booked in 4Q 2017. Going forward, charges related to the long-term incentive program will be booked (accrued or reversed) on a quarterly basis.
- Termination and hiring costs related to the change of distribution model in Japan.
- Strategic initiatives for future growth (e.g. digital innovation, HR development initiatives).
- The headcount increased from 459 FTE at the end of H1 2017 and 468 at the end of 2017 to 480 at the end of H1 2018 as the company strengthened its organization.

Net financial charges decreased from EUR 5.1 million to EUR 4.9 million. The result before tax amounted to EUR 0.3 million (EUR 1.0 million in H1 2017) and the *adjusted* result before tax, group's share¹ reached EUR 0.4 million (EUR 1.0 million in H1 2017). The *adjusting* item¹ (EUR -0.1million) relates to a fair value loss on derivatives.

Income tax revenues rose from EUR 0.6 million to EUR 6.6 million due to the Patent Box benefit. On 22 June 2018, the Italian Fiscal Authority and Moleskine signed an agreement in which they defined the calculation methodology to determine the taxation benefit under the Patent Box regime which allows reduced taxation on income derived from the use of intellectual property. The balance sheet as per 30 June 2018 includes a tax receivable of EUR 6.5 million related to the period 2015-2017.

The result after tax reached EUR 6.9 million (EUR 1.6 million in H1 2017).

3.2. Net debt and free cash flow

Moleskine's net debt reached EUR 296.5 million (of which EUR 153.6 million intra-group borrowing) at the end of June 2018 compared to EUR 301.4 million at the end of June 2017 and EUR 289.4 million at December 2017.

Free cash flow after tax amounted to EUR -4.2 million in H1 2018 compared to EUR -11.1 million in H1 2017. The evolution is mainly due to a higher EBITDA, a lower cash outflow related to working capital needs (EUR -10.0 million in H1 2018 compared to EUR -13.8 million in H1 2017) and less capex.

3.3. Key developments

Over the last two years, Moleskine has developed the Smart Writing System and in February 2018 Moleskine launched a new Smart pen called Pen+ Ellipse which instantly transfers all hand-written content such as drawings, ideas and appointments to a compatible digital device of choice.

In June Moleskine presented three bag collections at the Pitti trade fair: a revisit of the Classic backpack with innovative materials, a leather collection (Classic Match) targeting professionals on the move and a feather-light collection (Metro) designed for contemporary urban life.

3.4. Outlook for 2018

Unchanged guidance for FY 2018: Moleskine aims at double-digit growth at constant exchange rates for its sales and *adjusted*¹ profit before tax, underpinned by continued sales growth across the regions and improved profit fall through. Sales should continue to benefit from a solid pipeline of B2B projects. Note that Moleskine's sales are concentrated in Q4 ahead of the Christmas period.

OTHER

The reportable operating segment “Other” mainly includes the corporate and real estate activities. The following table summarizes the contribution of this segment to the group’s consolidated results. The *adjusted* operating loss reached EUR -5.7 million in H1 2018 compared to EUR -5.0 million in H1 2017. The EUR -0.7 million change reflects a reversal of accruals in H1 2017 and no invoicing of management fees in H1 2018.

The EUR -11.3 million *adjusting* item¹ is related to the remaining professional fees in the framework of the finalisation of the disposal of a 40% stake in Belron.

Adjusted result before tax, group’s share¹ reached EUR -3.6 million (EUR -2.2 million in H1 2017). The H1 2017 result included interest income of EUR 0.5 million related to a loan to Belron. This loan was reimbursed by Belron following the refinancing in Q4 2017. In H1 2018 “Other” included costs related to the search for new board members.

The significant increase in the net cash position (from EUR 171.1 million at 30 June 2017 to EUR 953.9 million at the end of June 2018) is primarily the result of the consideration received from CD&R following the disposal of the 40% stake in Belron (EUR 628.7 million), the extraordinary dividend (EUR 429 million) received from Belron in H2 2017 partially offset by the payment in June 2018 of the aggregate dividend to shareholders (EUR 208.4 million). The loan to Moleskine amounted to EUR 153.6 million at the end of H1 2018.

€m	H1 2017			% change adjusted items	H1 2018			% change total
	Total IFRS	APM (non-GAAP measures) ¹			Total IFRS	APM (non-GAAP measures) ¹		
		Adjusted items	Adjusted items				Adjusted items	
External sales	-	-	-	-	-	-	-	-
Operating result	-5.0	-	-5.0	14.0%	-5.7	-11.3	-17.0	240.0%
Net finance costs	1.5	-1.3	2.8	-25.0%	2.1	-	2.1	40.0%
Result before tax (PBT)	-3.5	-1.3	-2.2	63.6%	-3.6	-11.3	-14.9	325.7%
Adjusted PBT, group's share ¹		-	-2.2	63.6%	-3.6	-	-	

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 page 18 for the definition of these performance indicators.

² In the past, the D'Ieteren Auto reportable operating segment included the automobile distribution activities as well as the Group's corporate and real estate activities. From the publication of the H1 2018 results onwards, the results of the D'Ieteren Auto segment will only comprise the automobile distribution activities, hereby improving the transparency of the financial reporting.

³ 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.

⁴ 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 page 24.

⁵ EBITDA is not an IFRS indicator. This APM (non-GAAP indicator) is defined as earnings before interest, taxes, depreciation and amortization. Since the method for calculating the EBITDA is not governed by IFRSs, the method applied by the Group may not be the same as that adopted by others and therefore may not be comparable.

⁶ "Organic growth" is an Alternative Performance Measure used by the Group to measure the evolution of revenue between two consecutive periods, at constant currency and excluding the impact of change in perimeter of consolidation or business acquisitions.

⁷ According to IFRS 5, Belron's assets and liabilities were classified under 'Non-current assets/liabilities classified as held for sale' as from 28 November 2017 when D'Ieteren and CD&R signed a definitive agreement regarding CD&R's acquisition of a 40% stake in Belron. Under IFRS 5, these tangible and intangible fixed assets were not depreciated between 1 January 2018 and 7 February 2018, which had a positive impact of EUR 10.3 million (at 100%) on Belron's adjusted operating result in H1 2018. If one takes into account the EUR 10.3 million depreciation charge, the adjusted operating result increased by 17.9% or by EUR 20.6 million to EUR 135.7 million.

Auditor's Report

“KPMG Réviseurs d’Entreprises represented by Alexis Palm has reviewed the condensed consolidated interim financial statements of D'Ieteren SA as of and for the six-month period ended June 30, 2018. Their review was conducted in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” and their unqualified review report dated August 30, 2018 is attached to the interim financial information.”

Forward looking statements

This document contains forward-looking information that involves risks and uncertainties, including statements about D'Ieteren's plans, objectives, expectations and intentions. Readers are cautioned that forward-looking statements include known and unknown risks and are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of D'Ieteren. Should one or more of these risks, uncertainties or contingencies materialise, or should any underlying assumptions prove incorrect, actual results could vary materially from those anticipated, expected, estimated or projected. As a result, D'Ieteren does not assume any responsibility for the accuracy of these forward-looking statements.

CONFERENCE CALL

D'Ieteren's management will organise a conference call for analysts and investors starting today at 06:00 pm CEST (Brussels time).

The conference call can be attended by calling the number +32 2 403 58 16 (participant code: 44369766#). The presentation slides will be made available online simultaneously to the publication of this press release at the following address: <http://www.dieteren.com/en/newsroom/press-releases> (then select the HY 2018 results event).

ALTERNATIVE PERFORMANCE MEASUREMENT (APM) – NON-GAAP MEASUREMENT

Framework and definitions

In order to better reflect its underlying performance and assist investors, securities analysts and other interested parties in gaining a better understanding of its financial performance, the Group uses Alternative Performance Measures (“APMs”). These alternative performance metrics are used internally for analysing the Group’s results as well as its business units.

These APMs are non-GAAP measures, i.e. their definition are not addressed by IFRS. They are derived from the audited IFRS accounts. The APMs may not be comparable to similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of the Group’s performance or liquidity under IFRS. The Group does not present APMs as an alternative to financial measures determined in accordance with IFRS and does not give to APMs greater prominence than defined IFRS measures.

Each line of the statement of profit or loss (see below), and each subtotal of the segment statement of profit or loss (see below), is broken down in order to provide information on the *adjusted* result and on the *adjusting* items.

The *adjusting* items are identified by the Group in order to present comparable figures, giving to the investors a better view on the way the Group is measuring and managing its financial performance. They comprise the following items, but are not limited to:

- (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) Impairment of goodwill and other non-current assets;
- (d) 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;
- (e) Other 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.

Adjusted result consists of the IFRS reported result, excluding *adjusting* items as listed above.

The Group uses as key performance indicator the *adjusted* consolidated result before tax, Group’s share (*Adjusted* PBT, Group’s share). This APM consists of the segment reported result before tax (PBT), taking into account the result before tax of the discontinued operations, and excluding *adjusting* items and the share of minority shareholders.

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

EUR million	2018			2017 ⁽¹⁾		
	Total	Of which Adjusted result	Adjusting items	Total	Of which Adjusted result	Adjusting items
Revenue	2,072.2	2,072.2	-	1,892.7	1,892.7	-
Cost of sales	-1,798.5	-1,798.5	-	-1,652.7	-1,649.2	-3.5
Gross margin	273.7	273.7	-	240.0	243.5	-3.5
Commercial and administrative expenses	-201.2	-185.5	-15.7	-174.2	-174.2	-
Other operating income	3.2	3.2	-	2.7	2.7	-
Other operating expenses	-3.8	-3.8	-	-2.8	-2.8	-
Operating result	71.9	87.6	-15.7	65.7	69.2	-3.5
Net finance costs	-3.2	-3.6	0.4	-4.7	-3.4	-1.3
Finance income	1.1	0.6	0.5	0.4	0.4	-
Finance costs	-4.3	-4.2	-0.1	-5.1	-3.8	-1.3
Share of result of equity-accounted investees, net of income tax	28.1	43.2	-15.1	1.7	1.8	-0.1
Result before tax	96.8	127.2	-30.4	62.7	67.6	-4.9
Income tax expense	-15.8	-19.0	3.2	-5.5	-7.3	1.8
Result from continuing operations	81.0	108.2	-27.2	57.2	60.3	-3.1
Discontinued operations	1,002.1	14.4	987.7	20.9	73.8	-52.9
RESULT FOR THE PERIOD	1,083.1	122.6	960.5	78.1	134.1	-56.0
Result attributable to:						
Equity holders of the Company	1,082.4	121.9	960.5	77.0	130.3	-53.3
Non-controlling interests	0.7	0.7	-	1.1	3.8	-2.7
Earnings per share						
Basic (EUR)	19.75	2.22	17.53	1.40	2.38	-0.98
Diluted (EUR)	19.71	2.22	17.49	1.40	2.38	-0.98
Earnings per share -Continuing operations						
Basic (EUR)	1.48	1.98	-0.50	1.04	1.10	-0.06
Diluted (EUR)	1.48	1.97	-0.49	1.04	1.10	-0.06

(1) As restated to present the Belron segment as a discontinued operation – See notes 1 and 12 of the 2018 half-yearly financial report for more information.

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

The Group's reportable operating segments are D'Ieteren Auto, Belron, Moleskine and Other. These operating segments are consistent with the Group's organisational and internal reporting structure, and with the requirements of IFRS 8 "Operating Segments".

In the past, the D'Ieteren Auto reportable operating segment included the automobile distribution activities as well as the Group's corporate and real estate activities. From the publication of the 2018 half-year results onwards, the results of the D'Ieteren Auto segment only comprises the automobile distribution activities; the results of the corporate and real estate activities being presented together in a new separate operating segment "Other". The segment statement of profit or loss for the 6-month period ended 30 June 2017 has been restated accordingly to reflect this new presentation.

Despite its classification as an equity-accounted investee as from the closing of the transaction with CD&R (see note 1 of the 2018 half-yearly financial report for more explanation), Belron remains a reportable operating segment, reflecting the Group's internal reporting structure.

EUR million	2018					
	D'Ieteren Auto	Belron	Mole- skine	Other	Elimi- nations	Group
External revenue	1,999.5	1,957.2	72.7	-	-1,957.2	2,072.2
Inter-segment revenue	-	-	-	-	-	-
Segment revenue	1,999.5	1,957.2	72.7	-	-1,957.2	2,072.2
Operating result (being segment result)	83.7	106.9	5.2	-17.0	-106.9	71.9
<i>Of which Adjusted result</i>	<i>88.1</i>	<i>146.0</i>	<i>5.2</i>	<i>-5.7</i>	<i>-146.0</i>	<i>87.6</i>
<i>Adjusting items</i>	<i>-4.4</i>	<i>-39.1</i>	<i>-</i>	<i>-11.3</i>	<i>39.1</i>	<i>-15.7</i>
Net finance costs	-0.4	959.3	-4.9	2.1	-959.3	-3.2
Finance income	0.6	987.9	0.4	0.1	-987.9	1.1
Finance costs	-1.0	-28.6	-3.0	-0.3	28.6	-4.3
Inter-segment financing interest	-	-	-2.3	2.3	-	-
Share of result of equity-accounted investees, net of income tax	5.9	-	-	-	22.2	28.1
Result before tax	89.2	1,066.2	0.3	-14.9	-1,044.0	96.8
<i>Of which Adjusted result</i>	<i>90.1</i>	<i>117.6</i>	<i>0.4</i>	<i>-3.6</i>	<i>-77.3</i>	<i>127.2</i>
<i>Adjusting items</i>	<i>-0.9</i>	<i>948.6</i>	<i>-0.1</i>	<i>-11.3</i>	<i>-966.7</i>	<i>-30.4</i>
Income tax expense	-28.9	-23.0	6.6	6.5	23.0	-15.8
Result from continuing operations	60.3	1,043.2	6.9	-8.4	-1,021.0	81.0
<i>Of which Adjusted result</i>	<i>59.7</i>	<i>88.9</i>	<i>7.0</i>	<i>1.2</i>	<i>-48.6</i>	<i>108.2</i>
<i>Adjusting items</i>	<i>0.6</i>	<i>954.3</i>	<i>-0.1</i>	<i>-9.6</i>	<i>-972.4</i>	<i>-27.2</i>
Discontinued operations	-	-	-	-	1,002.1	1,002.1
RESULT FOR THE PERIOD	60.3	1,043.2	6.9	-8.4	-18.9	1,083.1

Attributable to:	D'Ieteren Auto	Belron	Mole- skine	Other	Group
Equity holders of the Company	60.3	1,023.6	6.9	-8.4	1,082.4
<i>Of which Adjusted result</i>	<i>59.7</i>	<i>54.0</i>	<i>7.0</i>	<i>1.2</i>	<i>121.9</i>
<i>Adjusting items</i>	<i>0.6</i>	<i>969.6</i>	<i>-0.1</i>	<i>-9.6</i>	<i>960.5</i>
Non-controlling interests	-	0.7	-	-	0.7
RESULT FOR THE PERIOD	60.3	1,024.3	6.9	-8.4	1,083.1

In the period, the column "Eliminations" reconciles the segment statement of profit or loss (with the 6-month result of Belron presented on all lines as a continuing operation) to the IFRS Group consolidated statement of profit or loss (with the net result of Belron presented as a discontinued operation from the beginning of the period until the closing of the Transaction (see note 1 of the 2018 half-yearly financial report), and in the line "share of result of equity-accounted investees, net of income tax" for the remaining of the period). See note 3 of the half-yearly financial report for more information.

EUR million		2017 ⁽¹⁾					
		D'Ieteren Auto	Belron	Mole- skine	Other	Elimi- nations	Group
External revenue		1,828.1	1,806.8	64.6	-	-1,806.8	1,892.7
Inter-segment revenue		4.3	-	-	-	-4.3	-
Segment revenue		1,832.4	1,806.8	64.6	-	-1,811.1	1,892.7
Operating result (being segment result)		64.6	72.6	6.1	-5.0	-72.6	65.7
Of which	Adjusted result	68.1	115.1	6.1	-5.0	-115.1	69.2
	Adjusting items	-3.5	-42.5	-	-	42.5	-3.5
Net finance costs		-1.1	-18.1	-5.1	1.5	18.1	-4.7
	Finance income	0.2	0.2	0.1	0.1	-0.2	0.4
	Finance costs	-1.3	-17.8	-3.0	-1.3	18.3	-5.1
	Inter-segment financing interest	-	-0.5	-2.2	2.7	-	-
Share of result of equity-accounted investees, net of income tax		1.7	-	-	-	-	1.7
Result before tax		65.2	54.5	1.0	-3.5	-54.5	62.7
Of which	Adjusted result	68.8	97.0	1.0	-2.2	-97.0	67.6
	Adjusting items	-3.6	-42.5	-	-1.3	42.5	-4.9
Income tax expense		-7.5	-33.6	0.6	1.4	33.6	-5.5
Result from continuing operations		57.7	20.9	1.6	-2.1	-20.9	57.2
Of which	Adjusted result	59.5	73.8	1.6	-0.8	-73.8	60.3
	Adjusting items	-1.8	-52.9	-	-1.3	52.9	-3.1
Discontinued operations		-	-	-	-	20.9	20.9
RESULT FOR THE PERIOD		57.7	20.9	1.6	-2.1	-	78.1

Attributable to:		D'Ieteren Auto	Belron	Mole- skine	Other	Group
Equity holders of the Company		57.7	19.8	1.6	-2.1	77.0
<i>Of which</i>	<i>Adjusted result</i>	59.5	70.0	1.6	-0.8	130.3
	<i>Adjusting items</i>	-1.8	-50.2	-	-1.3	-53.3
Non-controlling interests		-	1.1	-	-	1.1
RESULT FOR THE PERIOD		57.7	20.9	1.6	-2.1	78.1

(1) As restated to present the Belron segment as a discontinued operation and to present the four operating segments of the Group - See notes 1, 3 and 12 of the 2018 half-yearly financial report for more information on the restatement of comparative information and explanations on the reportable segments.

The column "Eliminations" reconciles the segment statement of profit or loss (with Belron presented on all lines as a continuing operation) with the IFRS Group consolidated statement of profit or loss (with Belron presented as a discontinued operation).

Explanations and details of the figures presented as *adjusting* items

In 2018 and 2017, the Group identified the following items as *adjusting* items throughout the four operating segments:

EUR million	2018				
	D'Ieteren Auto	Belron	Moleskine	Other	Total (segment)*
Adjusting items					
Included in operating result	-4,4	-39,1	-	-11,3	-54,8
Re-measurements of financial instruments	-	0,6 (d)	-	-	0,6
Amortisation of customer contracts	-	-2,7 (e)	-	-	-2,7
Amortisation of brands with finite useful life	-	-1,2 (f)	-	-	-1,2
Other adjusting items	-4,4 (a)	-35,8 (h)	-	-11,3 (k)	-51,5
Included in net finance costs	0,5	987,7	-0,1	-	988,1
Other adjusting items	0,5 (b)	987,7 (i)	-0,1 (j)	-	988,1
Included in equity accounted result	3,0 (c)	-	-	-	3,0
Included in segment result before taxes (PBT)	-0,9	948,6	-0,1	-11,3	936,3

* Total of the *adjusting* items at the level of each segment, despite the classification as continuing or discontinued operations. The *adjusting* items presented in the Belron segment should be deducted from this total to reconcile with the Group figures reported in the segment statement of profit or loss.

EUR million	2017			
	D'Ieteren Auto	Belron	Other	Total (segment)*
Adjusting items				
Included in operating result	-3.5	-42.5	-	-46.0
Re-measurements of financial instruments	-	-2.8 (d)	-	-2.8
Amortisation of customer contracts	-	-3.3 (e)	-	-3.3
Amortisation of brands with finite useful life	-	-0.4 (f)	-	-0.4
Impairment of goodwill and of non-current assets	-	-20.0 (g)	-	-20.0
Other adjusting items	-3.5 (a)	-16.0 (h)	-	-19.5
Included in net finance costs	-	-	-1.3	-1.3
Re-measurements of put options granted to non-controlling interests	-	-	-1.3 (l)	-1.3
Included in equity accounted result	-0.1 (c)	-	-	-0.1
Included in segment result before taxes (PBT)	-3.6	-42.5	-1.3	-47.4

* Total of the *adjusting* items at the level of each segment, despite the classification as continuing or discontinued operations. The *adjusting* items presented in the Belron segment should be deducted from this total to reconcile with the Group figures reported in the segment statement of profit or loss.

D'Ieteren Auto

- (a) In the period, other *adjusting* items in operating result include a charge of EUR 4.4 million (EUR 3.5 million in the prior period) in the framework of the "Market Area" project (optimization of the independent dealer network).
- (b) In the period, other *adjusting* items in net finance costs include the consolidated gain on disposal of a dealership.
- (c) In the period, the share of the Group in the *adjusting* items of entities accounted for using the equity method amounts to EUR 3.0 million and is related to the additional revenue recognised following a change in accounting estimates. In the prior period, the EUR -0.1 million was related to the amortisation of intangible assets with a finite useful life (intangible IT assets recognised in the framework of the contribution to OTA Keys s.a. of development activities around virtual key solutions).

Belron

- (d) Fair value of fuel hedge instruments amounts to EUR 0.6 million (EUR -2.8 million in the prior period) and arises 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.
- (e) In the framework of the recent acquisitions (especially Maisonnings in France), certain customer contracts were recognised as intangible assets with a finite useful life. The amortisation amounts to EUR 2.7 million (EUR 3.3 million in the prior period).
- (f) 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) amounts to EUR 1.2 million (EUR 0.4 million in the prior period) and is primarily due to the recognition of brand following the recent acquisition of Maisonnings in France.
- (g) In the prior period, a total impairment charge of EUR 20 million was recognized and comprised:
- An impairment charge of EUR 16 million on the Italian cash-generating unit, fully allocated to the goodwill, following the formal impairment calculation performed on Italy.
 - An impairment charge of EUR 4.0 million on capitalised IT software costs in the United States following a decision to terminate a project to develop a new supply chain system.
- (h) In the period, other *adjusting* items of EUR -35.8 million mainly comprises a transaction bonus (EUR -33.1 million) related to the disposal of a 40% stake of Belron to CD&R (see notes 1 and 12 of the 2018 half-yearly financial report) and remaining professional fees related to the above-mentioned transaction and to the set-up of a new management reward plan (EUR -1.8 million). In the prior period, other *adjusting* items of EUR -16.0 million comprised professional fees (EUR -4.7 million) related to the project to bring a minority partner in the business and provision costs (EUR -11.3 million) for one settled (Brazil) and two on-going (United States and United Kingdom) legal disputes.
- (i) In the period, other *adjusting* items in net finance costs include the consolidated gain on the disposal of the 40% stake in Belron to CD&R. Refer to notes 1 and 12 of the 2018 half-yearly financial report for more information and detail on the calculation.

Moleskine

- (j) In the period, the EUR -0.1 million of other *adjusting* item relates to the fair value loss recognized on hedging derivative (forward foreign exchange rate contract concluded to mitigate the risk of exchange rate fluctuation on short term cash flows labelled in USD).

Other

- (k) In the period, other *adjusting* items in operating result (EUR -11.3 million) relate to the remaining professional fees in the framework of the finalisation of the disposal of the 40% stake of Belron to CD&R.
- (l) In the prior period, net finance costs included a re-measurement charge of put options granted to certain non-controlling interests (family holding company of Belron's CEO) amounting to EUR -1.3 million.

Adjusted result before tax, Group's share (*adjusted* PBT, Group's share)

EUR million	2018					2017				
	D'Ieteren Auto	Belron (64.68%)	Mole- skine	Other	Total (segment)	D'Ieteren Auto	Belron (94.85%)	Mole- skine	Other	Total (segment)
Segment reported PBT	89.2	1,066.2	0.3	-14.9	1,140.8	63.9	54.5	1.0	-2.2	117.2
Less: <i>Adjusting</i> items in PBT	0.9	-948.6	0.1	11.3	-936.3	4.9	42.5	-	-	47.4
Segment <i>adjusted</i> PBT	90.1	117.6	0.4	-3.6	204.5	68.8	97.0	1.0	-2.2	164.6
Less: Share of the group in tax on <i>adjusted</i> results of equity-accounted investees	1.7	-	-	-	1.7	1.2	-	-	-	1.2
Share of non-controlling interests in <i>adjusted</i> PBT	-	-41.5	-	-	-41.5	-	-5.0	-	-	-5.0
Segment <i>adjusted</i> PBT, Group's share	91.8	76.1	0.4	-3.6	164.7	70.0	92.0	1.0	-2.2	160.8

In the period, the weighted average percentage used for computing the segment adjusted PBT, Group's share of Belron amounts to 64.68% (94.85% in the prior period).

Key Performance Indicator (based on *adjusted* PBT, Group's share)

EUR million	2018					2017				
	D'Ieteren Auto	Belron (64.68%)	Mole- skine	Other	Total (segment)	D'Ieteren Auto	Belron (64.68%)	Mole- skine	Other	Total (segment)
Segment <i>adjusted</i> PBT, Group's share	91.8	76.1	0.4	-3.6	164.7	70.0	92.0	1.0	-2.2	160.8
Excluding:										
Depreciation of non-currents assets (Group's Share)	-	-9.8	-	-	-9.8	-	-	-	-	-
Reduction of the share of the group (comparable basis with 2018)	-	-	-	-	-	-	-29.3	-	-	-29.3
<i>Adjusted</i> PBT, Group's share (key performance indicator)	91.8	66.3	0.4	-3.6	154.9	70.0	62.7	1.0	-2.2	131.5

In accordance with the requirements of IFRS 5, the Group did not depreciate the Belron's non-current assets as from the date (28 November 2017) of its classification as held for sale until the date of effective disposal (7 February 2018 – see notes 1 and 12 of the 2018 half-yearly financial report for more information). The impact in the consolidated income statement of the period is EUR 10.3 million (EUR 9.8 million for the share of the Group, using the 94.85% stake of ownership of January 2018) and should be excluded when calculating the HY2018 Key Performance Indicator.

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 2018					30 June 2017 ⁽¹⁾				
	D'Ieteren Auto	Belron (100%)	Mole- skine	Other	Total (segment)	D'Ieteren Auto	Belron (100%)	Mole- skine	Other	Total (segment)
Non-current loans and borrowings	0.6	1,315.8	122.8	0.9	1,440.1	1.3	607.4	138.3	0.9	747.9
Current loans and borrowings	11.3	56.5	34.0	0.1	101.9	7.1	101.4	51.3	180.6	340.4
Inter-segment financing	-	-	153.6	-153.6	-	-	180.5	149.7	-330.2	-
Gross debt	11.9	1,372.3	310.4	-152.6	1,542.0	8.4	889.3	339.3	-148.7	1,088.3
Less: Cash and cash equivalents	-15.4	-108.2	-13.9	-781.2	-918.7	-5.3	-35.9	-37.9	-	-79.1
Less: Other non-current receivables	-	-	-	-20.1	-20.1	-	-	-	-20.0	-20.0
Less: Other current receivables	-	-	-	-	-	-	-	-	-2.4	-2.4
Total net debt	-3.5	1,264.1	296.5	-953.9	603.2	3.1	853.4	301.4	-171.1	986.8

(1) As restated to present the four operating segments of the Group – Refer to notes 1 and 3 of the 2018 half-yearly financial report for more information on the restatement of comparative information and explanations on the reportable segments.

In the period, the inter-segment loans comprise amounts lent by the Corporate department to the Moleskine segment (non-recourse loan in the framework of the acquisition), at arm's length conditions. In the prior period, the inter-segment loans also comprised amounts lent by the Corporate department to the Belron segment (entirely reimbursed in the second half of 2017).

Belron's net financial debt rose from EUR 853.4 million at the end of June 2017 to EUR 1,264.1 million at the end of June 2018. Belron refinancing was completed in November 2017 with the launch of a 7-year Term Loan B facility of USD 1,025 million and EUR 425 million with a 6-year revolving credit facility of EUR 280 million in place. The proceeds of the Term Loan B were used to refinance the US Private Placement (USPP) instruments, reimburse the shareholder loan, pay an extraordinary dividend (approximately EUR 453 million) to its shareholders and cover fees and transaction costs related to the refinancing.

Embargo: Thursday 30 August 2018 – 5:45 pm CEST

The significant increase in the net cash position of the segment “Other” (from EUR 171.1 million at 30 June 2017 to EUR 953.9 million at the end of June 2018) is primarily the result of the consideration received from CD&R following the disposal of the 40% stake in Belron (EUR 628.7 million), the extraordinary dividend (EUR 429 million) received from Belron in the second half of 2017 following the issue of new term loans (see above), partially offset by the payment in June 2018 of the aggregate dividend to shareholders (EUR 208.4 million).

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 21% and 1.2 million vehicles on the road at the end of 2017. Sales and adjusted operating result reached respectively EUR 3.3 billion and EUR 85.9 million in FY 2017.
- **Belron** (54.85% of the voting rights) 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 and homes. Sales and adjusted operating result reached respectively EUR 3.5 billion and EUR 189.8 million in FY 2017.
- **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 more than 115 countries. Sales and operating result reached respectively EUR 155 million and EUR 25 million in FY 2017.

FINANCIAL CALENDAR

Last five press releases <i>(with the exception of press releases related to the repurchase or sale of own shares)</i>		Next events	
30 May 2018	1Q 2018 Trading Update	28 February 2019	FY 2018 results
30 April 2018	Publication of the annual report 2017	6 June 2019	General Assembly
27 April 2018	Proposal to appoint two new Directors to D'Ieteren's Board		
28 February 2018	FY 2017 results		
7 February 2018	Closing of CD&R's partnership investment in Belron		

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The D'Ieteren app is available on:



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