

2018 FULL-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 2018 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 the new separate operating segment "Other". The segment statement of profit or loss for 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 the 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) in 2017 and between 1 January and 7 February 2018.

D'Ieteren's average stake in Belron equalled 57.78% in 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 (MRP) which led to a reduction of D'Ieteren's stake to 54.11%. The stake equalled 54.10% at the end of 2018, following the entry of new MRP participants on 6 November 2018.

2018 was a positive year for D'Ieteren: its activities realised healthy sales and profit growth and D'Ieteren's key performance indicator (KPI) – the *adjusted* consolidated result before tax, Group's share¹, increased by 15.8% to EUR 226.1 million, against a 10-15% growth guidance.

- **D'Ieteren Auto's**² sales growth (+3.2%) was underpinned by a positive price and model mix effect. Its market share³ reached 21.45% (+14bps). The *adjusted* result before tax, group's share^{1,2} improved by 18.7% reflecting a positive model mix effect and cost control.
- **Belron** reported strong organic sales growth⁶ (+10.3%). On a comparable basis⁷, the *adjusted* operating result¹ improved by 20.1%. The 10.3% rise in the *adjusted* result before tax, Group's share¹ reflects higher operating results and increased financial costs following refinancing linked to cash distribution to the shareholders in Q4 2017 and Q4 2018.
- **Moleskine's** sales rose by 14.8% at constant exchange rates. Each region delivered double digit growth. B2B was the fastest growing channel. The *adjusted* result before tax¹ rose by 24.3% to EUR 18.9 million.
- **Other** (including corporate and real estate activities) reported an *adjusted* result before tax, Group's share¹ of EUR -4.8 million in 2018 compared to EUR -4.3 million in 2017.
- The Board of Directors proposes a **gross ordinary dividend of EUR 1.00 per share**.

On a comparable basis, D'Ieteren is aiming for a double-digit improvement for its FY 2019 *adjusted* consolidated result before tax, Group's share¹. The guidance assumes a 54.10% stake in Belron in 2018 (rebased) and 2019 and average foreign exchange rates in 2019 that are in line with the exchange rates that prevailed at the end of 2018.

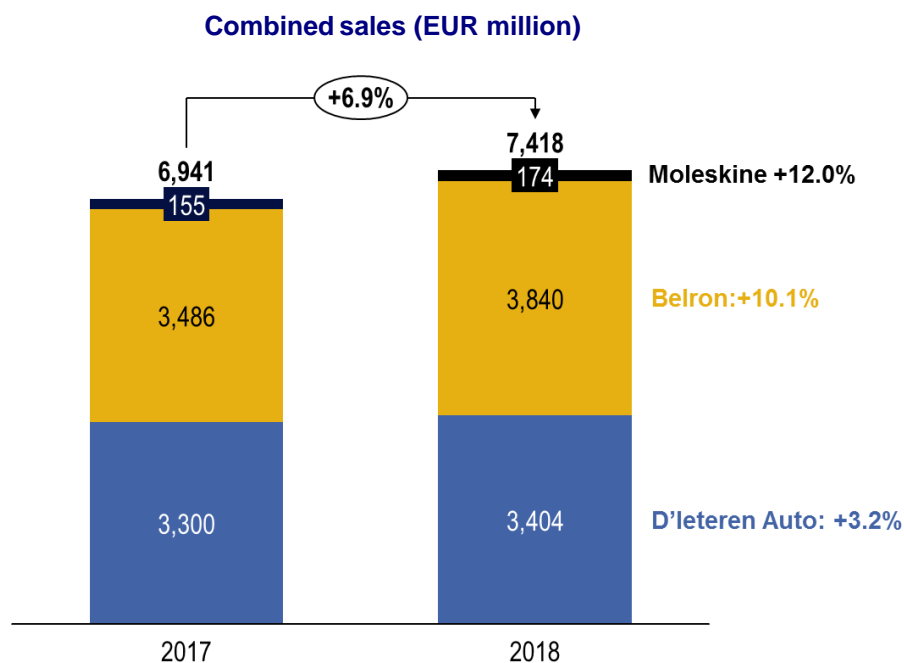
GROUP SUMMARY

A. SALES

Consolidated sales under IFRS amounted to **EUR 3,578.1 million (+3.6%)**. This figure excludes Belron. **Combined sales** (including 100% of Belron) amounted to **EUR 7,417.8 million (+6.9%)**.

Combined sales are broken down as follows:

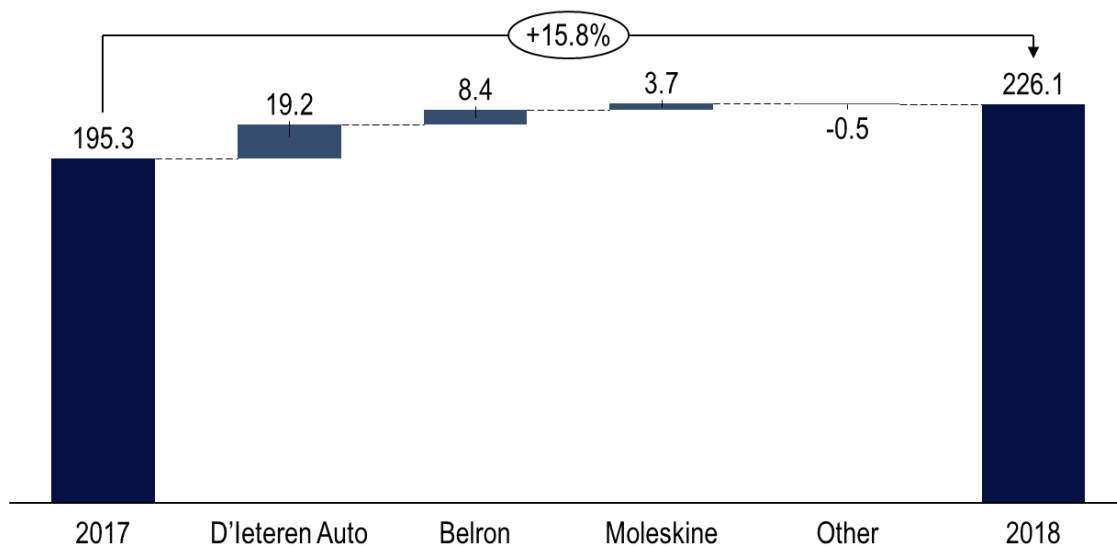
- **D'Ieteren Auto:** EUR 3,404.0 million, **+3.2%** mainly on the back of a positive price and model mix (more SUV's) effect. Excluding registrations of less than 30 days³, Belgian new car registrations dropped marginally (-0.9%) and D'Ieteren Auto's market share³ reached 21.45% (+14bps). The total number of vehicles, including commercial vehicles, delivered by D'Ieteren Auto reached 121,855 (-2.7%). As expected, the introduction of WLTP (Worldwide Harmonised Light Vehicle Test Procedure) led to significant delivery delays during the last 4 months of 2018.
- **Belron:** EUR 3,839.7 million, **+10.1%** comprising a 10.3% organic increase⁶ and 2.0% growth from acquisitions, partially offset by a negative currency translation impact of 2.1%. The sales momentum was strong across the three regions (North America, Europe, Rest of the World).
- **Moleskine:** EUR 174.1 million, **+12.0%** or by 14.8% at constant exchange rates. Each region contributed to the solid sales evolution. The B2B channel was the main driver of the sales growth followed by Wholesale. E-Commerce revenues improved significantly in H2 2018.



B. RESULTS

- The **consolidated result before tax under IFRS** reached EUR 67.5 million (EUR 99.8 million in 2017) (see page 21 of this press release for further details).
- Our key performance indicator – the **adjusted consolidated result before tax, Group's share**¹ – amounted to EUR 226.1 million, up 15.8% on a comparable basis (57.78% stake in Belron). It breaks down as follows:
 - **D'Ieteren Auto**²: EUR 121.7 million, +18.7%, reflecting a positive price and model mix effect and cost control (including lower marketing costs).
 - **Belron**: EUR 90.3 million, up 10.3% reflecting strong *adjusted* operating profit¹ growth partially offset by higher net financial charges following Belron's refinancing linked to the cash distribution to the shareholders in Q4 2017 and Q4 2018.
 - **Moleskine**: EUR 18.9 million, +24.3% year-on-year, due to solid sales across all the regions and the positive impact from strategic initiatives.
 - **Other (including corporate and real estate activities)**: EUR -4.8 million (EUR -4.3 million in 2017).

Evolution of the *adjusted* consolidated result before tax, Group's share¹ (EUR m)



- The **Group's share in the net result for the period** equalled EUR 1,048.0 million (EUR 112.6 million in 2017). The 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 share**¹, reached EUR 182.2 million compared to EUR 194.8 million in 2017. The decline is due to the lower stake in Belron.

C. DIVIDEND

The Board of Directors proposes a gross ordinary dividend of EUR 1.00 per share. If this dividend is approved by the General Meeting of Shareholders on 6 June 2019, it will be paid on 14 June 2019 (ex date 12 June and record date 13 June).

D. FINANCING OF THE ACTIVITIES

The combined net financial debt⁴ including 100% of Belron totalled EUR 839.4 million at the end of 2018 compared to EUR 1,011.8 million at the end of 2017. The net cash position of "Other", which includes Corporate, amounted to EUR 1,142.2 million at the end of 2018 compared to EUR 550.6 million at the end of 2017. See pages 7, 12, 16,17 and 27 for further information.

D'IETEREN AUTO²

- Excluding registrations of less than 30 days³, the Belgian market declined by 0.9% and D'Ieteren Auto's share improved from 21.31% in 2017 to 21.45% in 2018.
- New vehicle sales rose by 2.9% to EUR 2,990.3 million reflecting a positive price and model mix effect. Total sales rose by 3.2% to EUR 3,404.0 million.
- The operating result of D'Ieteren Auto² reached EUR 106.8 million (EUR 88.0 million in 2017):
 - The *adjusted* operating result^{1,2} increased by 18.7% to EUR 113.0 million. The strong performance mainly reflects a positive price and model mix effect, cost control and the reversal of a provision.
 - The *adjusting* items^{1,2} comprised in the operating result (EUR -6.2 million) relate to the implementation of the Market Area strategy.
- The result before tax² rose by 25.4% to EUR 115.4 million.
- The *adjusted* result before tax, Group's share^{1,2}, reached EUR 121.7 million (EUR 102.5 million in 2017), up 18.7%.
- 2019 outlook: D'Ieteren Auto aims at a higher share in a market that is expected to be slightly lower. The *adjusted* result before tax, Group's share^{1,2}, is expected to improve slightly.

€m	2017			% change adjusted items	2018			%change total
	Total IFRS	APM (non-GAAP measures) ¹			Total IFRS	A adjusting items	A adjusted items	
		A adjusting items	A adjusted items					
New vehicles delivered (in units)	125,229	-	-	-	-	-	121,855	-2.7%
External sales	3,299.7	-	3,299.7	3.2%	3,404.0	-	3,404.0	3.2%
Operating result	88.0	-7.2	95.2	18.7%	113.0	-6.2	106.8	21.4%
Net finance costs	-2.0	-	-2.0	-5.0%	-1.9	0.6	-1.3	-35.0%
Result before tax (PBT)	92.0	-7.3	99.3	18.8%	118.0	-2.6	115.4	25.4%
Adjusted PBT, group's share ¹	-	-	102.5	18.7%	121.7	-	-	-

1.1. Activities and results

Market and deliveries

The Belgian new car market continued to be buoyant until the introduction of WLTP (Worldwide Harmonised Light Vehicle Test Procedure) on 1 September. As expected, WLTP led to significant delivery delays during the remainder of the year. Excluding registrations of less than 30 days³, the number of new car registrations in Belgium reached 528,174 units (-0.9%). Including de-registrations within 30 days, the Belgian market totalled 549,632 new car registrations, up 0.6% year-on-year. This is only slightly below the record high of 2011. The share of diesel cars continued to decline (35.5% in 2018 compared to 46.4% in 2017) and the share of new energy engines (electric, hybrid, CNG and LPG) rose from 5.4% in

	FY 2017	FY 2018
New car market (in units) ³	532,929	528,174
% change yoy	2.7%	-0.9%
Total market share new cars ³	21.31%	21.45%
Volkswagen	9.43%	9.91%
Audi	6.23%	5.38%
Škoda	3.60%	3.74%
Seat	1.40%	1.79%
Porsche	0.64%	0.60%
Bentley/Lamborghini	0.01%	0.01%
Market share light commercial vehicles	10.69%	10.56%

2017 to 5.9% in 2018. SUV's continued to gain in popularity with a share of 37.6% in 2018 versus 31.2% in 2017.

Excluding registrations of less than 30 days³, the market share of the brands distributed by D'Ieteren Auto reached 21.45% in 2018 (vs 21.31% in 2017). Including these registrations, the market share equalled 20.80% (vs 20.93% in 2017).

Volkswagen reinforced its leadership position with a market share³ of 9.91% (+48bps) mainly thanks to higher demand for the T-Roc, the Tiguan (6th most popular car in Belgium) and the Arteon. The Volkswagen Golf remained the most popular car on the Belgian market. The evolution of Audi's market share³ (5.38% or -85bps) reflects the timing of new model launches and the introduction of WLTP. SEAT's share³ improved by 39bps to 1.79% thanks to the success of the Arona. Škoda's share³ reached 3.74% (+14bps) with good volumes in its popular SUV models (Karoq and Kodiaq). The Octavia remains Škoda's most popular model. Porsche's market share³ (0.60%) was roughly stable with higher registrations of the Cayenne and 911.

Registrations of new light commercial vehicles (0 to 6 tonnes) rose by 2.2% to 78,459 units. The marginal decline in D'Ieteren Auto's market share (10.56% or -13bps) is due to a temporary suspension of deliveries of T6 passenger vans at the beginning of 2018.

The total number of new vehicles, including commercial vehicles, delivered by D'Ieteren Auto in 2018 reached 121,855 units (-2.7% compared to 2017).

Sales

D'Ieteren Auto's sales increased by 3.2% to EUR 3,404.0 million in 2018 reflecting a positive price and model mix (more SUV's) effect. The acquisition of dealerships contributed EUR 84.2 million in sales. New vehicle sales increased by 2.9% to EUR 2,990.3 million. The sale of spare parts and accessories reached EUR 186.4 million (+1.4% year-on-year). Revenues from after-sales activities of the corporately-owned dealerships increased by 28.1% to EUR 105.5 million. This strong rise is largely due to the acquisition of dealerships. Used vehicle sales amounted to EUR 68.2 million (+2.9%). D'Ieteren Sport's sales, which are mainly comprised of Yamaha motorbikes, quads and scooters, increased by 5.3% to EUR 29.6 million.

Results²

The operating result² reached EUR 106.8 million (EUR 88.0 million in 2017). The *adjusted* operating result^{1,2} increased by 18.7% to EUR 113.0 million mainly reflecting:

- A positive price and model mix effect.
- Cost control including lower marketing costs.
- Lower inventory write-downs due to the transfer of 70% of the buy-back agreements with rental car companies to VDFin.
- The reversal of a provision (EUR 4.5 million).
- Lower contribution from corporately owned dealerships (retail activities).
- Partially offset by a higher loss related to innovative mobility projects at Lab Box.

The *adjusting* items¹ (EUR -6.2 million) are mainly related to the implementation of the Market Area strategy.

Net financial expenses equalled EUR 1.3 million in 2018 (EUR 2.0 million in 2017). *Adjusted* net financial expenses¹ reached EUR 1.9 million (EUR 2.0 million in 2017).

The result before tax² reached EUR 115.4 million (+25.4%) or EUR 118.0 million (+18.8%) excluding *adjusting* items¹. The *adjusted* result before tax, Group's share^{1,2}, rose by 18.7% to EUR 121.7 million. The contribution of the equity accounted entities to the *adjusted* result before tax, Group's share¹, amounted to EUR 10.6 million (EUR 9.3 million in 2017).

Income tax expenses reached EUR 38.6 million (EUR 29.3 million in 2017). *Adjusted* tax expenses¹ equalled EUR 40.7 million (compared to EUR 30.5 million in 2017). The rise in tax expenses is due to higher profits and a lower level of tax credits.

The result after tax, Group's share², amounted to EUR 76.8 million (EUR 62.7 million in 2017). The *adjusted* result after tax, Group's share^{1,2}, rose by EUR 8.5 million to EUR 77.3 million.

1.2. Net debt and cash flow

D'Ieteren Auto's net debt position reached EUR 60.8 million at the end 2018. This figure excludes the net cash balance of the Group's treasury activities (see page 27 of this press release for more details).

The free cash flow (after tax) reached EUR -44 million in 2018 (EUR 68 million in 2017). The rise in *adjusted* EBITDA^{1,5} (EUR 115 million in 2018 versus EUR 95 million in 2017) was more than offset by higher working capital (EUR -114 million versus EUR -5 million impact), higher net capex (EUR -18 million versus EUR -10 million) which was mainly related to IT/software and higher taxes paid (EUR -25 million versus EUR -11 million). The EUR 79 million y/y increase in inventories reflects the temporary WLTP impact.

1.3. Key developments

D'Ieteren Auto signed new import contracts with Volkswagen Group as well as contracts with the dealers who lead the Market Areas. The new contracts reflect the vision of tomorrow's automotive sector and create new opportunities including a commercial approach that will become increasingly customer centric.

Project Magellan was launched in September 2018 with the goal to develop a strategy that will prepare D'Ieteren Auto for the changes in the mobility sector.

D'Ieteren Auto announced the next phase of Pole Position, the plan that was launched in 2014 to rationalize the footprint and to improve the profitability of the D'Ieteren Car Centers in Brussels. Since the launch of the plan, the number of sites was reduced from 12 to 6, sales volumes have increased and losses have been reduced. The next phase ("Leading the Race") will consist in reinforcing D'Ieteren Auto's presence in the southwest of Brussels. The existing Seat dealership in Anderlecht will be transformed into a state-of-the-art multi-brand site which will offer sales and after-sales services for Volkswagen (including commercial vehicles), Seat and Škoda as from 2022. The sales and after-sales activities of Rue du Mail (Ixelles) and D'Ieteren Centre will be moved to the Anderlecht site. The Drogenbos and Zaventem sites will offer services for Audi.

D'Ieteren Auto has acquired the following dealers:

- Clissen (10/2018): Audi, Volkswagen and Volkswagen Commercial Vehicles dealerships north of Antwerp
- Bruynseels (11/2018): Audi, Volkswagen and Volkswagen Commercial Vehicles dealerships west of Brussels
- Dielis (01/2019): an Audi dealership in the Market Area of Mechelen

These transactions are 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 Area Leader in Brussels, Antwerp and Mechelen.

D'Ieteren Auto launched EDI (Electric D'Ieteren Solutions) in January 2019. EDI offers a complete solution for drivers of electric cars and fleet managers including charging stations at home or at work and a charging card with access to more than 100,000 charging stations in 25 European countries. VDFin offers financing for EDI-solutions.

1.4. Outlook 2019

D'Ieteren Auto aims at a higher market share in a Belgian new car market that is expected to be slightly down in 2019. D'Ieteren Auto's sales should be underpinned by new model introductions and replacements, especially at Audi. Following the recent replacement of the Q3 and A1 Sportback and the launch of the e-tron and Q8, Audi's pipeline for this year includes a facelift of the Q7 and A4, the introduction of the A1 City Carver, the Q3 Sportback and the e-tron Sportback and the replacement of the A3 Sportback. Volkswagen is enlarging its SUV offering with the introduction of the T-Cross, the Passat will receive a facelift and the new Golf will be launched in Q4 2019. Seat has recently launched a large SUV (Tarraco). Škoda introduced the Scala to extend its offering in the compact car segment. The Octavia Combi will be replaced and a new SUV (Kamiq) will be introduced. Porsche has recently replaced the 911 and will introduce the Cayenne Coupé (Q1 2019) and the fully electric Taycan (December 2019).

Taking into account high comparables, the *adjusted* result before tax, Group's share^{1,2}, is expected to improve slightly in FY 2019 thanks to higher volumes, improved profitability of the retail activities and the contribution of recently announced acquisitions.

BELRON

At Belron's level (at 100%):

- External sales (EUR 3,839.7 million) increased by 10.1%, comprising a 10.3% organic⁶ increase and 2.0% growth from acquisitions, partially offset by a negative currency translation effect of 2.1%.
- The operating result totalled EUR 103.6 million (EUR 148.5 million in 2017):
 - The *adjusted* operating result¹ reached EUR 225.7 million (+18.9%).
 - *Adjusting items*¹ amounted to EUR -122.1 million (see details on pages 24-25).

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

- The result before tax totalled EUR 1,010.9 million (EUR 62.4 million in 2017). The 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 90.3 million compared to EUR 81.9 million (restated 2017 figure to reflect the same average stake of 57.78% as in 2018). The EUR 8.4 million rise reflects a strong improvement in the underlying operating performance and higher financial charges following the refinancing of Q4 2017 and Q4 2018.

Outlook for 2019:

- Moderate single digit organic⁶ sales growth
- The *adjusted* result before tax, D'Ieteren's share¹ should improve double digit. This guidance assumes average exchange rates that are in line with the rates that prevailed at the end of 2018 and a 54.10% stake in Belron in 2018 (rebased) and 2019.

€m	2017			% change adjusted items	2018			% change total
	Total IFRS	APM (non-GAAP measures) ¹			APM (non-GAAP measures) ¹		Total IFRS	
		A djusting items	A djusted items		A djusted items	A djusting items		
Number of consumers (million)	16.5	-	-	-	-	-	17.8	7.8%
External sales	3,486.2	-	3,486.2	10.1%	3,839.7	-	3,839.7	10.1%
Operating result	148.5	-41.3	189.8	18.9%	225.7	-122.1	103.6	-30.2%
Net finance costs	-86.1	-48.6	-37.5	57.6%	-59.1	966.4	907.3	-
Result before tax (PBT)	62.4	-89.9	152.3	9.4%	166.6	844.3	1,010.9	1520.0%
Adjusted PBT, group's share ¹ (@ 57.78%)	-	-	81.9	10.3%	90.3	-	-	-

2.1. Sales and results

Sales

Belron's sales were EUR 3,839.7 million in 2018, an increase of 10.1% comprised of 10.3% organic growth⁶ and 2.0% growth from acquisitions, partially offset by a negative currency translation impact of 2.1%.

Whereas in the past Belron's geographic footprint was subdivided into two regions (Europe and Outside Europe), it includes the following regions from 2018 onwards:

- North America: US and Canada.
- Europe: France, Germany, Belgium, Spain, Italy, Netherlands, Switzerland, Portugal, Greece, Austria and Hungary.
- Rest of the World: UK, Australia, Norway, New Zealand, Sweden, Denmark, Ireland and Finland.

North American sales increased by 10.7%, consisting of a 13.4% organic⁶ growth and 0.3% from acquisitions, partially offset by an adverse currency translation effect of 3.1%. The organic⁶ sales improvement reflects a higher share in a growing market, increased prices due in part to increased windscreen complexity and higher revenues from ancillary products. Increased windscreen complexity is due to the rising penetration of ADAS. Acquired growth mainly relates to the acquisition of Richardson's Auto Glass in the United States of America which completed in June 2018. The negative currency impact is primarily due to the weakening of the US dollar.

European sales increased by 9.7%, consisting of a 5.8% organic⁶ increase and 4.3% from acquisitions, partially offset by an adverse currency translation effect of 0.4%. The organic⁶ sales improvement was primarily in France and Spain reflecting a combination of higher volumes and higher prices due in part to increased windscreen complexity. Acquired growth mainly relates to the 2017 service extension acquisitions in France (Home Damage) and Belgium (Automotive Damage) which completed in March 2017 and October 2017 respectively. The negative currency impact is primarily due to the weaker Turkish lira.

Rest of the World sales increased by 9.4%, consisting of a 10.7% organic⁶ increase and 1.9% from acquisitions, partially offset by an adverse currency translation effect of 3.2%. The organic⁶ sales improvement was primarily in the United Kingdom reflecting a combination of increased volumes, increased prices due in part to increased windscreen complexity, and higher revenues from ancillary products. The acquired growth primarily relates the Home Damage Repair and Replacement (HDDR) acquisition in Australia and New Zealand which completed in March 2018. The translation impact is mainly due to the weakening of the Australian dollar.

Total consumers served were a record 17.8 million (+7.8% y/y) of which 17.3 million (+5.9%) in Vehicle Glass Repair and Replacement (VGRR) and Claims Management.

Results

The operating result totalled EUR 103.6 million in 2018 (2017: EUR 148.5 million).

The *adjusted* operating result¹ improved by 18.9% to EUR 225.7 million. Note that according to IFRS 5, Belron's assets and liabilities were classified under 'Non-current assets/liabilities classified as held for sale between 28 November 2017 when D'Ieteren and CD&R signed a definitive agreement regarding CD&R's acquisition of a 40% stake in Belron and 7 February 2018 when the closing took place. Under IFRS 5, tangible and intangible fixed assets were not depreciated during that period, which had a positive impact of EUR 10.3 million (at 100%) on Belron's (*adjusted*¹) operating result in 2018 (EUR 10.5 million in 2017). If one takes into account the depreciation charge between 28 November 2017 and 7 February 2018, the *adjusted* operating result¹ increased by EUR 36.1 million to EUR 215.4 million. The US was the main contributor of this improvement, followed by France, the UK, Spain and Germany.

Charges related to the legacy long-term management incentive programme (3-year rolling plans launched in 2016 and 2017) equalled EUR 34.1 million (2017: EUR 20.2 million). The increase reflects solid results in 2018 and a stronger outlook for 2019. The programme has been replaced by an equity-based reward plan or Management Reward Plan (MRP) in June 2018 (see page 12).

Adjusting items¹ at the level of the operating result totalling EUR -122.1 million (see pages 24-25 for details) include the transaction bonus and fees related to the disposal of a 40% stake in Belron (booked in H1 2018), impairment charges in the Netherlands, New Zealand, Hungary and Greece, disposal losses (Russia and Turkey), amortisation of customer contracts and brands, provisions, restructuring costs and re-measurement of financial assets.

Net financial income (EUR 907.3 million) included the consolidated gain (EUR 987.7 million booked in H1 2018) on the disposal of the 40% stake in Belron. The *adjusted* net financial expenses¹ rose from EUR 37.5 million in 2017 to EUR 59.1 million in 2018 as a result of the issue of Term Loans B and the payment of a dividends in Q4 2017 and Q4 2018 (see page 27).

The result before tax reached EUR 1,010.9 million in 2018 (EUR 62.4 million in 2017). The *adjusted* result before tax, Group's share¹ increased by 10.3% to EUR 90.3 million on a comparable basis (assuming 57.78% stake in 2017 and 2018). *Adjusted* income tax expenses¹ equalled EUR 39.1 million (EUR 30.0 million in 2017).

The result after tax, Group's share, rose from EUR 41.3 million in 2017 to EUR 991.6 million in 2018. The *adjusted* result after tax¹, Group's share, declined from EUR 116.0 million to EUR 74.9 million reflecting D'Ieteren's lower stake (57.78% in 2018 versus 94.85% in 2017) in Belron. On a comparable basis (57.78% stake in Belron in 2017 and 2018), the *adjusted* result after tax¹, Group's share, improved from EUR 70.7 million to EUR 74.9 million.

2.2. Net debt and cash flow

Belron's net financial debt⁴ reached EUR 1,638.6 million (100%) at the end 2018 compared to EUR 1,271.9 million at the end of 2017. A new term loan was issued on 13 November 2018 for USD 455 million (EUR 400 million equivalent). The proceeds were used to pay dividends (EUR 400 million). Belron's net financial debt⁴/EBITDA⁶ multiple reached 4.23x at the end of 2018. See page 27 for more details.

The free cash flow (after tax) amounted to EUR 164 million in 2018 compared to EUR 70 million in 2017. The increase is mainly due to a higher *adjusted* EBITDA^{1,5}, (EUR 55 million improvement), lower capex (EUR 112 million compared to EUR 174 million in 2017) partly offset by higher income tax and interest payments.

2.3. Key developments

Belron initiated a major business transformation project (the Fit for Growth programme) in Q4 2018 aimed at boosting its financial performance.

In December, Belron sold its operations in Russia and Turkey to the local management teams. As part of the transactions, Belron entered into franchise agreements with the new owners to continue to provide a trade mark license for the Carglass® brand as well as operational, sales and marketing expertise. The loss on disposal and franchising of EUR 19.8 million is included in *adjusting* items¹.

At the end of December, Belron entered into negotiations with third parties for the sale and franchising of its operations in Greece and Hungary. Included in *adjusting* items¹ is EUR 10.0 million of costs relating to the planned disposal and franchising of these operations.

2.4. Management Reward Plan

The 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 21.8 million. As a reminder, part of the issued equity under the MRP consists of "ratchet shares" which will allow management to enjoy additional returns if certain performance hurdles (IRR and Cash on Cash) are satisfied at exit, which will result in additional dilution for existing shareholders. The MRP does not impact D'Ieteren's voting rights (54.85%).

The following table shows the ownership of share capital and voting rights of Belron's shareholders on 31 December 2018:

	% share capital	% voting rights
D'Ieteren	54.10%	54.85%
CD&R	39.45%	40.00%
Family holding company of Belron's CEO	5.08%	5.15%
MRP participants	1.37%	0.00%
Total	100.00%	100.00%

2.5. Outlook 2019

Belron anticipates “moderate single digit” organic sales growth⁶ and a double-digit improvement of the *adjusted* result before tax, D'Ieteren's share¹. This guidance assumes average exchange rates that are in line with the rates that prevailed at the end of 2018 and a 54.10% stake in Belron in 2018 (rebased) and 2019.

The improvement will reflect sales growth and efficiency initiatives in all countries, together with lower charges related to the long-term management incentive programme. In 2019, the charges will be limited to the programme that started in 2017.

MOLESKINE

- Revenues rose by 12.0% to EUR 174.1 million in 2018 or by 14.8% at constant exchange rates with a particularly strong performance in December (+28.8% at constant exchange rates). Each region delivered double digit growth. B2B was the fastest growing channel. The non-paper product category, which mainly consists of bags and small leather goods, contributed 40% of Moleskine's sales growth in 2018.
- The operating result reached EUR 28.6 million (+13.5%) reflecting profitable growth.
- The result before tax and the *adjusted* result before tax, Group's share¹ totalled EUR 18.9 million (+24.3%).
- FY 2019 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, channels and product categories.

€m	2017			% change adjusted items	2018			% change total
	Total IFRS	APM (non-GAAP measures) [†]			Total IFRS	APM (non-GAAP measures) [†]		
		A djusting items	A djusted items			A djusted items	A djusting items	
External sales	155.4	-	155.4	12.0%	174.1	-	174.1	12.0%
Operating result	25.2	-	25.2	13.5%	28.6	-	28.6	13.5%
Net finance costs	-10.0	-	-10.0	-3.0%	-9.7	-	-9.7	-3.0%
Result before tax (PBT)	15.2	-	15.2	24.3%	18.9	-	18.9	24.3%
Adjusted PBT, group's share [†]	-		15.2	24.3%	18.9		-	

3.1. Sales

Moleskine's sales increased by 12.0% to EUR 174.1 million in 2018 or by 14.8% at constant exchange rates. December sales were particularly strong (+28.8% at constant exchange rates). Each region realized double digit sales growth. The weight of non-paper products increased as turnover from bags and small leather goods more than doubled. The negative currency effect mainly reflects the weaker USD and HKD.

Sales growth at constant exchange rates:

- EMEA** (47% of total): up 13.8% with growth across all the channels.
- Americas** (36% of total): 13.4% growth with a particularly strong performance in the B2B channel.
- APAC** (17% of total): up 19.6% with strong B2B and e-commerce sales growth. Stable sales in the Wholesale channel over the full year reflects a pick-up in H2. Store network optimization including closings led to lower Retail sales. The E-Commerce sales momentum improved significantly in H2 2018 mainly thanks to new marketplace activations in China.

Each distribution channel realized healthy sales growth at constant exchange rates:

- **Wholesale** revenues rose by 6.9% reflecting growth in EMEA and the Americas and stable sales in APAC. Moleskine continued to develop direct relationships with key retailers. In Japan, a subsidiary was established to improve coverage and to further capture the market potential through increased customer proximity. The development of client relationships in specialized channels for non-paper (e.g. bags and consumer electronics) also contributed to sales growth.
- **B2B** realized 41.5% growth, leveraging proven distribution capabilities. An excellent driver of brand awareness, B2B confirmed its business relevance, driven by the development of major projects with global corporations and promotional product suppliers.
- **Retail** sales were up 3.2%. 2018 was marked by network rationalization with 16 store closures and 9 openings. The year-end store count equalled 80 compared to 87 at the end of 2017. The store openings took place at the high traffic travel locations including London Liverpool street station, Paris Montparnasse station, Naples airport, Paris Roissy airport and Naples railway station. The implementation of retail excellence initiatives across the network continued to be a priority, with particular focus on in-store conversion. Optimized merchandising and the growing weight of bags in the sales mix led to an overall increase of the average value per transaction. Training of in-store personnel also had a positive impact on the conversion rate.
- **E-Commerce** revenues rose by 12.0% thanks to a strong performance in Q4 (+19% y/y) Marketplace launches in China contributed to the strong performance in H2 2018.

3.2. Results

The operating result reached EUR 28.6 million in 2018 compared to EUR 25.2 million in 2017 as strategic initiatives are bearing fruit. The non-cash charge related to the long-term incentive program of 2016-2021 amounted to EUR 1.7 million in 2018 versus EUR 2.5 million in 2017.

Net financial charges equalled EUR 9.7 million (EUR 10.1 million in 2017). The result before tax amounted to EUR 18.9 million (EUR 15.2 million in 2017). Income tax revenues equalled EUR 3.9 million (EUR 5.1 million tax expenses in 2017). The 2018 figure includes 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 31 December 2018 includes a tax receivable of EUR 6.5 million related to the period 2015-2017.

The result after tax more than doubled (EUR 22.8 million or +126%) on the back of higher operating results and the Patent Box benefit.

3.3. Net debt and free cash flow

Moleskine's net debt reached EUR 282.2 million (of which EUR 155.9 million intra-Group borrowing) at the end of 2018 compared to EUR 289.4 million at December 2017.

Free cash flow after tax amounted to EUR 13 million in 2018 compared to EUR 0 million in 2017. The EUR 13 million increase comprises EBITDA growth (EUR 40 million versus EUR 38 million) and lower tax payments (EUR -1 million versus EUR -12 million) partly offset by higher working capital needs (EUR -14 million versus EUR -8 million impact). The decrease in tax payments is mainly explained by the Patent Box benefit. Inventories rose by EUR 9.5 million to EUR 41.7 million due to higher US duties, purchases ahead of 2019 product innovation and a stock buyback in Japan following the change in distribution model.

3.4. Key developments

Moleskine continued to strengthen its regional organizations as knowledge of local customer preferences is deemed crucial to develop the brand's competitive edge in each market. The number of FTE's reached 491 at the end of 2018 (+23 y/y).

Moleskine has always innovated along the analogue-digital continuum. In 2017, it launched the Moleskine Open Innovation Program, a call for innovative ideas to add to the growing Moleskine+ ecosystem of smart objects and services. The project invited talented start-ups to submit concepts, projects and proposals in return for the chance to work closely with Moleskine – sharing expertise, building know-how and turning inspiring ideas into business reality. The twelve most successful applicants were invited from all over the world to the Moleskine headquarters in Milan to present their projects. In 2018, three finalists were selected to work with a group of mentors, facilitators and entrepreneurs from Moleskine as part of a 6-month incubator program to bring their proposals to life and to market. Moleskine is currently exploring routes for long term collaboration with one of the three start-ups that has launched an innovative application in the area of personal productivity.

Actions, a successful app aimed at increasing personal productivity, registered approximately 600,000 downloads since its launch in April 2018. It complements the existing Timepage app.

3.5. Outlook for 2019

Moleskine aims at double-digit growth at constant exchange rates for its sales and *adjusted* profit before tax¹, underpinned by continued sales growth across the regions, channels and product categories. Wholesale revenues growth will leverage its proven distribution capabilities through space management, network expansion, growth of key accounts and further development of key markets such as Japan. B2B is expected to consolidate 2018's outstanding performance while unlocking further potential through a multicategory product strategy. Retail growth will be driven by strong focus on KPI improvement and limited new store openings. E-Commerce will benefit from improved business governance and user experience and the activation of new countries.

OTHER

4.1. Results

The reportable operating segment “Other” mainly includes the corporate and real estate activities (D'Ieteren Immo S.A.). The following table summarizes the contribution of this segment to the Group's consolidated results. The *adjusted* operating result was almost stable at EUR -9.4 million in 2018. The EUR -11.3 million *adjusting* item¹ is related to the remaining professional fees and other expenses in the framework of the finalisation of the disposal of a 40% stake in Belron.

The net financial costs which amounted to EUR 36.3 million (EUR 10.1 million net financial income in 2017) included *adjusting* items¹ totalling EUR 40.9 million related to the loss on the fair value of a contingent liability and other financial expenses relating to the disposal of the 40% stake in Belron to CD&R. *Adjusted* result before tax, Group's share¹ reached EUR -4.8 million (EUR -4.3 million in 2017).

€m	2017			% change adjusted items	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	
External sales	-	-	-	-	-	-	-	
Operating result	-16.9	-7.6	-9.3	1.1%	-9.4	-11.3	-20.7	22.5%
Net finance costs	10.1	4.6	5.5	-16.4%	4.6	-40.9	-36.3	-459.4%
Result before tax (PBT)	-7.4	-3.1	-4.3	11.6%	-4.8	-52.2	-57.0	670.3%
Adjusted PBT, group's share ¹		-	-4.3	11.6%	-4.8	-	-	

4.2. Net cash

The significant increase in the net cash position (from EUR 550.6 million at the end of 2017 to EUR 1,142.2 million at the end of 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 dividend (EUR 217.4 million) received from Belron in Q4 2018, partially offset by the payment in June 2018 of the aggregate dividend to D'Ieteren's shareholders (EUR 208.4 million). The loan to Moleskine amounted to EUR 155.9 million at the end of 2018 (see page 27 for further details).

4.3. D'Ieteren Immo

D'Ieteren Immo S.A. regroups all of D'Ieteren's Belgian property interests. Capex was stable at EUR 13 million. The Zen Park project in Drogenbos was completed in June 2018. The site welcomes a state-of-the-art multi-brand bodywork centre and a My Way (second hand cars) centre. Ongoing construction projects include a new Porsche Centre in Wallonia, a Seat dealership in Mechelen and an apartment building (Ten Bosch Housing) in Brussels. D'Ieteren Immo is preparing plans for the development of the distribution centre site (Kortenberg), the renovation of D'Ieteren's headquarters and the Anderlecht site.

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 20 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 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 27.

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' between 28 November 2017 when D'Ieteren and CD&R signed a definitive agreement regarding CD&R's acquisition of a 40% stake in Belron and 7 February 2018 when the closing took place. Under IFRS 5, tangible and intangible fixed assets were not depreciated during that period, which had a positive impact of EUR 10.3 million (at 100%) on Belron's (adjusted) operating result in 2018 (EUR 10.5 million in 2017).

Auditor's Report

“The statutory auditor, KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises, represented by Alexis Palm, has confirmed that the audit procedures, which have been substantially completed, have not revealed any material misstatement in the accounting information included in the Company's annual announcement.”

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 CET.

The conference call can be attended by calling the number +32 2 403 5816. PIN code: 82158478#

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 FY 2018 results event).

Appendix

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 is 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/IFRS 9 (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 year ended 31 December

EUR million	2018			2017		
	Total	Of which Adjusted result	Adjusting items	Total	Of which Adjusted result	Adjusting items
Revenue	3,578.1	3,578.1	-	3,455.1	3,455.1	-
Cost of sales	-3,090.4	-3,090.4	-	-2,985.2	-2,978.0	-7.2
Gross margin	487.7	487.7	-	469.9	477.1	-7.2
Commercial and administrative expenses	-376.9	-359.4	-17.5	-374.3	-366.7	-7.6
Other operating income	10.1	10.1	-	5.8	5.8	-
Other operating expenses	-6.2	-6.2	-	-5.1	-5.1	-
Operating result	114.7	132.2	-17.5	96.3	111.1	-14.8
Net finance costs	-47.3	-7.0	-40.3	-1.9	-6.5	4.6
Finance income	1.8	1.3	0.5	3.6	0.7	2.9
Finance costs	-49.1	-8.3	-40.8	-5.5	-7.2	1.7
Share of result of equity-accounted investees, net of income tax	0.1	68.1	-68.0	5.4	5.6	-0.2
Result before tax	67.5	193.3	-125.8	99.8	110.2	-10.4
Income tax expense	-20.9	-24.8	3.9	-28.5	-31.4	2.9
Result from continuing operations	46.6	168.5	-121.9	71.3	78.8	-7.5
Discontinued operations	1,002.1	14.4	987.7	43.6	122.3	-78.7
RESULT FOR THE PERIOD	1,048.7	182.9	865.8	114.9	201.1	-86.2
Result attributable to:						
Equity holders of the Company	1,048.0	182.2	865.8	112.6	194.8	-82.2
Non-controlling interests	0.7	0.7	-	2.3	6.3	-4.0
Earnings per share						
Basic (EUR)	19.12	3.32	15.80	2.05	3.55	-1.50
Diluted (EUR)	19.08	3.32	15.76	2.05	3.54	-1.49
Earnings per share -Continuing operations						
Basic (EUR)	0.85	3.08	-2.23	1.30	1.44	-0.14
Diluted (EUR)	0.85	3.07	-2.22	1.30	1.43	-0.13

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

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 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 12-month period ended 31 December 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 consolidated financial statements 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	Eliminations	Group
External revenue	3,404.0	3,839.7	174.1	-	-3,839.7	3,578.1
Inter-segment revenue	-	-	-	-	-	-
Segment revenue	3,404.0	3,839.7	174.1	-	-3,839.7	3,578.1
Operating result (being segment result)	106.8	103.6	28.6	-20.7	-103.6	114.7
<i>Of which Adjusted result</i>	<i>113.0</i>	<i>225.7</i>	<i>28.6</i>	<i>-9.4</i>	<i>-225.7</i>	<i>132.2</i>
<i>Adjusting items</i>	<i>-6.2</i>	<i>-122.1</i>	<i>-</i>	<i>-11.3</i>	<i>122.1</i>	<i>-17.5</i>
Net finance costs	-1.3	907.3	-9.7	-36.3	-907.3	-47.3
Finance income	0.9	988.6	0.7	0.2	-988.6	1.8
Finance costs	-2.2	-81.3	-5.8	-41.1	81.3	-49.1
Inter-segment financing interest	-	-	-4.6	4.6	-	-
Share of result of equity-accounted investees, net of income tax	9.9	-	-	-	-9.8	0.1
Result before tax	115.4	1,010.9	18.9	-57.0	-1,020.7	67.5
<i>Of which Adjusted result</i>	<i>118.0</i>	<i>166.6</i>	<i>18.9</i>	<i>-4.8</i>	<i>-105.4</i>	<i>193.3</i>
<i>Adjusting items</i>	<i>-2.6</i>	<i>844.3</i>	<i>-</i>	<i>-52.2</i>	<i>-915.3</i>	<i>-125.8</i>
Income tax expense	-38.6	-26.8	3.9	13.8	26.8	-20.9
Result from continuing operations	76.8	984.1	22.8	-43.2	-993.9	46.6
<i>Of which Adjusted result</i>	<i>77.3</i>	<i>127.5</i>	<i>22.8</i>	<i>7.2</i>	<i>-66.3</i>	<i>168.5</i>
<i>Adjusting items</i>	<i>-0.5</i>	<i>856.6</i>	<i>-</i>	<i>-50.4</i>	<i>-927.6</i>	<i>-121.9</i>
Discontinued operations	-	-	-	-	1,002.1	1,002.1
RESULT FOR THE PERIOD	76.8	984.1	22.8	-43.2	8.2	1,048.7

Attributable to:	D'Ieteren Auto	Belron	Mole-skine	Other	Group
Equity holders of the Company	76.8	991.6	22.8	-43.2	1,048.0
<i>Of which Adjusted result</i>	<i>77.3</i>	<i>74.9</i>	<i>22.8</i>	<i>7.2</i>	<i>182.2</i>
<i>Adjusting items</i>	<i>-0.5</i>	<i>916.7</i>	<i>-</i>	<i>-50.4</i>	<i>865.8</i>
Non-controlling interests	-	0.7	-	-	0.7
RESULT FOR THE PERIOD	76.8	992.3	22.8	-43.2	1,048.7

In the period, the column “Eliminations” reconciles the segment statement of profit or loss (with the 12-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 consolidated financial statements), and in the line “share of result of equity-accounted investees, net of income tax” for the remaining of the year). See note 2 of the 2018 consolidated financial statements for more information.

EUR million	2017 ⁽¹⁾					
	D'Ieteren Auto	Belron	Mole- skine	Other	Elimi- nations	Group
External revenue	3,299.7	3,486.2	155.4	-	-3,486.2	3,455.1
Inter-segment revenue	8.3	-	-	-	-8.3	-
Segment revenue	3,308.0	3,486.2	155.4	-	-3,494.5	3,455.1
Operating result (being segment result)	88.0	148.5	25.2	-16.9	-148.5	96.3
<i>Of which Adjusted result</i>	<i>95.2</i>	<i>189.8</i>	<i>25.2</i>	<i>-9.3</i>	<i>-189.8</i>	<i>111.1</i>
<i>Adjusting items</i>	<i>-7.2</i>	<i>-41.3</i>	<i>-</i>	<i>-7.6</i>	<i>41.3</i>	<i>-14.8</i>
Net finance costs	-2.0	-86.1	-10.0	10.1	86.1	-1.9
Finance income	0.3	0.3	0.2	3.1	-0.3	3.6
Finance costs	-2.3	-85.5	-5.7	1.6	86.4	-5.5
Inter-segment financing interest	-	-0.9	-4.5	5.4	-	-
Share of result of equity-accounted investees, net of income tax	6.0	-	-	-0.6	-	5.4
Result before tax	92.0	62.4	15.2	-7.4	-62.4	99.8
<i>Of which Adjusted result</i>	<i>99.3</i>	<i>152.3</i>	<i>15.2</i>	<i>-4.3</i>	<i>-152.3</i>	<i>110.2</i>
<i>Adjusting items</i>	<i>-7.3</i>	<i>-89.9</i>	<i>-</i>	<i>-3.1</i>	<i>89.9</i>	<i>-10.4</i>
Income tax expense	-29.3	-18.8	-5.1	5.9	18.8	-28.5
Result from continuing operations	62.7	43.6	10.1	-1.5	-43.6	71.3
<i>Of which Adjusted result</i>	<i>68.8</i>	<i>122.3</i>	<i>10.1</i>	<i>-0.1</i>	<i>-122.3</i>	<i>78.8</i>
<i>Adjusting items</i>	<i>-6.1</i>	<i>-78.7</i>	<i>-</i>	<i>-1.4</i>	<i>78.7</i>	<i>-7.5</i>
Discontinued operations	-	-	-	-	43.6	43.6
RESULT FOR THE PERIOD	62.7	43.6	10.1	-1.5	-	114.9

Attributable to:	D'Ieteren Auto	Belron	Mole- skine	Other	Group
Equity holders of the Company	62.7	41.3	10.1	-1.5	112.6
<i>Of which Adjusted result</i>	<i>68.8</i>	<i>116.0</i>	<i>10.1</i>	<i>-0.1</i>	<i>194.8</i>
<i>Adjusting items</i>	<i>-6.1</i>	<i>-74.7</i>	<i>-</i>	<i>-1.4</i>	<i>-82.2</i>
Non-controlling interests	-	2.3	-	-	2.3
RESULT FOR THE PERIOD	62.7	43.6	10.1	-1.5	114.9

(1) As restated to present the four operating segments of the Group - See notes 1 and 2 of the 2018 consolidated financial statements 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 (none for Moleskine):

EUR million	2018			
	D'Ieteren Auto	Belron	Other	Total (segment)*
Adjusting items				
Included in operating result	-6.2	-122.1	-11.3	-139.6
Re-measurements of financial instruments	-	-6.9 (d)	-	-6.9
Amortisation of customer contracts	-	-5.5 (e)	-	-5.5
Amortisation of brands with finite useful life	-	-0.5 (f)	-	-0.5
Impairment of goodwill and of non-current assets	-	-50.3 (g)	-	-50.3
Other adjusting items	-6.2 (a)	-58.9 (h)	-11.3 (j)	-76.4
Included in net finance costs	0.6	966.4	-40.9	926.1
Re-measurements of financial instruments	-	-	-20.2 (k)	-20.2
Other adjusting items	0.6 (b)	966.4 (i)	-20.7 (m)	946.3
Included in equity accounted result	3.0 (c)	-	-	3.0
Included in segment result before taxes (PBT)	-2.6	844.3	-52.2	789.5

* 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 ⁽¹⁾			
	D'Ieteren Auto	Belron	Other	Total (segment)*
Adjusting items				
Included in operating result	-7.2	-41.3	-7.6	-56.1
Re-measurements of financial instruments	-	1.6 (d)	-	1.6
Amortisation of customer contracts	-	-4.5 (e)	-	-4.5
Amortisation of brands with finite useful life	-	-0.8 (f)	-	-0.8
Impairment of goodwill and of non-current assets	-	-19.5 (g)	-	-19.5
Other adjusting items	-7.2 (a)	-18.1 (h)	-7.6 (j)	-32.9
Included in net finance costs	-	-48.6	4.6	-44.0
Re-measurements of put options granted to non-controlling interests	-	-	1.7 (l)	1.7
Other adjusting items	-	-48.6 (i)	2.9 (m)	-45.7
Included in equity accounted result	-0.1	-	-0.1	-0.2
Included in segment result before taxes (PBT)	-7.3	-89.9	-3.1	-100.3

(1) As restated to present the four operating segments of the Group - See notes 1 and 2 of the 2018 consolidated financial statements for more information on the restatement of comparative information and explanations on the reportable segments.

* 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 6.2 million (EUR 7.2 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.

Belron

- (d) Fair value of fuel hedge instruments amounts to EUR -6.9 million (EUR 1.6 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 Maisoning in France), certain customer contracts were recognised as intangible assets with a finite useful life. The amortisation amounts to EUR 5.5 million (EUR 4.5 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 0.5 million (EUR 0.8 million in the prior period).
- (g) In the period, a total impairment charge of EUR 50.3 million is recognized and comprises:
- An impairment charge of EUR 40 million in the Netherlands, allocated to the goodwill (EUR 13.1 million), brands (EUR 25.1 million) and other intangible assets (EUR 1.8 million);
 - An impairment charge of EUR 6.0 million in New Zealand, fully allocated to the goodwill;
 - Impairment charges of EUR 4.3 million in Hungary (EUR 0.9 million) and Greece (EUR 3.4 million).

These impairment charges are recognized following the formal impairment calculation performed on each of the cash-generating units (being the countries where Belron operates).

In the prior period, a total impairment charge of EUR 19.5 million was recognized and comprised an impairment charge of EUR 16 million in Italy (fully allocated to the goodwill) and 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 -58.9 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 28 of the 2018 consolidated financial statements), professional fees related to the above-mentioned transaction and to the set-up of a new management reward plan (EUR -2.8 million), provision costs related to the closure of Canada’s claims management business (EUR -5.5 million), restructuring costs regarding the United States field sales teams (EUR -4.5 million), provision costs for on-going (United States) legal disputes (EUR -4.1 million), costs related to an ongoing business transformation programme (EUR -2.7 million), and provision costs relating to the planned disposal and franchising of Greece (EUR -4.2 million) and Hungary (EUR -1.6 million).
- In the prior period, other *adjusting* items of EUR -18.1 million mainly comprised professional fees (EUR -8.1 million) related to the project to bring a minority partner in the business and provision costs (EUR -11.4 million) for two settled (Brazil and United Kingdom) and one on-going (United States) legal disputes.
- (i) In the period, other *adjusting* items in net finance costs include the consolidated gain (EUR 987.7 million) on the disposal of the 40% stake in Belron to CD&R (refer to notes 1 and 28 of the 2018 consolidated financial statements for more information and detail on the calculation), the loss (EUR -20.2 million) relating to the disposal of operations in Russia, Turkey and a business in the United Kingdom and costs (EUR -1.1 million) incurred in relation to additional financing undertaken in November 2018 (Belron issued a new 7-year Term Loan B of USD 455 million and proceeds were used to pay a dividend to shareholders). In the prior period, other *adjusting* items (EUR 48.6 million) were accelerated interest, fees and transaction costs incurred in relation to the refinancing undertaken in Q4 2017.

Other

- (j) In the period, other *adjusting* items in operating result (EUR -11.3 million) relate to the remaining professional fees and other expenses in the framework of the finalisation of the disposal of the 40% stake of Belron to CD&R.
- (k) In the period, the re-measurements of financial instruments represent the loss on the fair value of a contingent liability relating to the disposal of the 40% stake of Belron to CD&R.
- (l) In the prior period, net finance costs included a re-measurement income (EUR 1.7 million) of put options granted to certain non-controlling interests (family holding company of Belron’s CEO).
- (m) In the period, other *adjusting* items in net finance costs include other financial expenses in the framework of the finalisation of the disposal of the 40% stake of Belron to CD&R. In the prior period, other *adjusting* items in net finance costs included the gain on sale realized following the sale of the 50% stake in OTA Keys s.a. to Continental AG.

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

EUR million	2018					2017 ⁽¹⁾				
	D'Ieteren Auto	Belron (57.78%)	Mole- skine	Other	Total (segment)	D'Ieteren Auto	Belron (94.85%)	Mole- skine	Other	Total (segment)
Segment reported PBT	115.4	1,010.9	18.9	-57.0	1,088.2	92.0	62.4	15.2	-7.4	162.2
Less: <i>Adjusting</i> items in PBT	2.6	-844.3	-	52.2	-789.5	7.3	89.9	-	3.1	100.3
Segment adjusted PBT	118.0	166.6	18.9	-4.8	298.7	99.3	152.3	15.2	-4.3	262.5
Less: Share of the group in tax on <i>adjusted</i> results of equity-accounted investees	3.7	-	-	-	3.7	3.2	-	-	-	3.2
Share of non-controlling interests in <i>adjusted</i> PBT	-	-70.3	-	-	-70.3	-	-7.8	-	-	-7.8
Segment adjusted PBT, Group's share	121.7	96.3	18.9	-4.8	232.1	102.5	144.5	15.2	-4.3	257.9

(1) As restated to present the four operating segments of the Group - See notes 1 and 2 of the 2018 consolidated financial statements for more information on the restatement of comparative information and explanations on the reportable segments.

In the period, the weighted average percentage used for computing the segment adjusted PBT, Group's share of Belron amounts to 57.78% (94.85% in the prior period).

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

EUR million	2018					2017 ⁽¹⁾				
	D'Ieteren Auto	Belron (57.78%)	Mole- skine	Other	Total (segment)	D'Ieteren Auto	Belron (57.78%)	Mole- skine	Other	Total (segment)
Segment adjusted PBT, Group's share	121.7	96.3	18.9	-4.8	232.1	102.5	144.5	15.2	-4.3	257.9
Excluding:										
Depreciation of non-currents assets (Group's Share)	-	-6.0	-	-	-6.0	-	-10.0	-	-	-10.0
Reduction of the share of the Group (comparable basis with 2018)	-	-	-	-	-	-	-52.6	-	-	-52.6
Adjusted PBT, Group's share (key performance indicator)	121.7	90.3	18.9	-4.8	226.1	102.5	81.9	15.2	-4.3	195.3

(1) As restated to present the four operating segments of the Group - See notes 1 and 2 of the 2018 consolidated financial statements for more information on the restatement of comparative information and explanations on the reportable segments.

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 16 of the 2018 consolidated financial statements for more information). The impact in the consolidated income statement of the period is EUR 10.3 million (EUR 6.0 million for the share of the Group, using the 57.78% average stake of ownership) and should be excluded when calculating the FY2018 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/IFRS9) 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	31 December 2018					31 December 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	0.7	1,709.8	114.8	0.8	1,826.1	0.7	1,307.1	130.5	0.8	1,439.1
Current loans and borrowings	2.2	47.6	37.1	0.1	87.0	0.5	41.2	31.9	0.1	73.7
Inter-segment financing	-	-	155.9	-155.9	-	-	-	152.0	-152.0	-
Adjustment for hedged borrowings	-	6.2	-	-	6.2	-	-	-	-	-
Gross debt	2.9	1,763.6	307.8	-155.0	1,919.3	1.2	1,348.3	314.4	-151.1	1,512.8
Less: Cash and cash equivalents	57.9	-124.2	-23.8	-967.1	-1,057.2	-0.1	-76.4	-25.0	-272.3	-373.8
Less: Cash included in assets held for sale	-	-0.8	-	-	-0.8	-	-	-	-	-
Less: Current financial assets	-	-	-1.8	-	-1.8	-	-	-	-107.1	-107.1
Less: Other non-current receivables	-	-	-	-20.1	-20.1	-	-	-	-20.1	-20.1
Total net debt	60.8	1,638.6	282.2	-1,142.2	839.4	1.1	1,271.9	289.4	-550.6	1,011.8

(1) As restated to present the four operating segments of the Group - See notes 1 and 2 of the 2018 consolidated financial statements for more information on the restatement of comparative information and explanations on the reportable segments.

In both periods, the inter-segment loan comprises amounts lent by the Corporate department to the Moleskine segment (non-recourse loan in the framework of the acquisition), at arm's length conditions.

Belron's net financial debt rose from EUR 1,271.9 million at the end of December 2017 to EUR 1,638.6 million at the end of December 2018. In November 2018 Belron issued a new 7-year Term Loan B facility of USD 455 million (cross currency interest rate swaps were used to swap USD 390 million into EUR 346 million of Euro denominated borrowings). Proceeds were used to pay a dividend (EUR 400 million) to its shareholders.

The increase in the net cash position of the segment “Other” (from EUR 550.6 million at 31 December 2017 to EUR 1,142.2 million at the end of December 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 dividend (EUR 217.4 million) received from Belron in Q4 2018 following the issue of a new term loan (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. Sales and adjusted operating result reached respectively EUR 3.4 billion and EUR 113.0 million in 2018.
- **Belron** (54.10% owned) has a clear purpose: "making a difference by solving people's problems with real care". It is the worldwide leader in vehicle glass repair and replacement and operates in 35 countries, through wholly owned businesses and franchises, with market leading brands – including Carglass®, Safelite® and Autoglass®. In addition, Belron manages vehicle glass and other insurance claims on behalf of insurance customers. It has also expanded its services into the automotive damage and home damage repair and replacement markets. Sales and adjusted operating result reached respectively EUR 3.8 billion and EUR 225.7 million in FY 2018.
- **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 174.1 million and EUR 28.6 million in FY 2018.

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	
7 November 2018	Belron has successfully allocated new term loan	6 June 2019	General Assembly & trading update
29 October 2018	Belron launches a new loan of EUR 400 million equivalent	28 August 2019	2019 Half-Year Results
30 August 2018	2018 Half-Year Results		
30 May 2018	1Q 2018 Trading Update		
30 April 2018	Publication of the annual report 2017		

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