s.a. D'Ieteren n.v.

2019 Half-Yearly Financial Report

CONTENTS

Declaration by Responsible Persons

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

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

Interim management report

D'Ieteren adopted IFRS 16 "Leases" from 1 January 2019 onwards using the retrospective approach (see notes 2 and 4 of the "2019 Half-Yearly Financial Report"). Leases that were previously accounted for as operating leases are now included on the balance sheet. Depreciation on the right-of-use assets and interest on the lease payments are now charged in the income statement. The H1 2019 results are shown both on a "Post-IFRS 16" and "Pre-IFRS 16" basis. The latter facilitates the comparison with the H1 2018 results. Comments in this press release refer to the figures on a "Pre-IFRS 16" basis unless otherwise stated.

D'Ieteren group's key performance indicator (KPI) – the *adjusted* consolidated result before tax, group's share[1] – rose by 25.3% to EUR 178.9 million on a comparable basis (54.10% stake in Belron in H1 2018 and H1 2019).

- **D'Ieteren Auto's** share[3] improved in a new car market[3] that was down 7.4%, in line with expectations. The decline in sales (-3.1%) and the *adjusted* result before tax, group's share[1,2] (-7.2%) reflects lower volumes, a negative mix effect and a lower contribution from the Retail activities.

- **Belron** delivered solid organic[6] sales growth (+5.1%). Its *adjusted* result before tax, group's share[1,2] improved by 88.8% reflecting good progress on its Fit for Growth programme.

- **Moleskine's** sales recovered in Q2 2019 (+9.3%) following the drop in Q1 2019 (-14.7%) to arrive at -2.2% in H1 2019. The decline in Q1 2019 was mainly due to some exceptionally large B2B orders in Q1 2018. The *adjusted* result before tax, group's share[1,2] reached EUR -1.7 million (EUR 0.4 million in H1 2018).

- **Other** (including corporate and real estate activities) reported an *adjusted* result before tax, group's share[1] of EUR -9.1 million in H1 2019 compared to EUR -4.6 million in H1 2018.

Unchanged FY 2019 guidance: D'Ieteren aims at an *adjusted* consolidated result before tax, group's share[1,2] that is at least 25% higher compared to last year's result (EUR 220.4 million when restated to reflect the current 54.10% stake in Belron). This guidance reflects continued progress of Belron's results.

Group Summary

A. Sales

Consolidated sales under IFRS amounted to **EUR 2,010.6 million (-3.0%)**. This figure excludes Belron. **Combined sales** (including 100% of Belron) amounted to **EUR 4,125.0 million (+2.3%** compared to H1 2018).

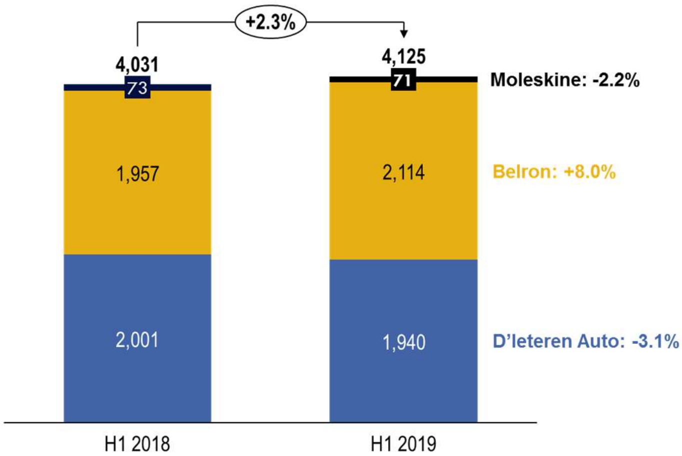
Combined sales growth per activity:

- **D'Ieteren Auto**: **-3.1%** due to lower new car volumes and a negative model mix effect at Volkswagen and Porsche. Excluding registrations of less than 30 days[3], Belgian new car registrations dropped by 7.4% due a tough base of comparison following last year's WLTP effect. D'Ieteren Auto's market share[3] improved by 9bps to 22.04%. The total number of vehicles, including commercial vehicles, delivered by D'Ieteren Auto reached 71,517 units (-2.3%).

- **Belron: +8.0%** comprising a 5.1% organic increase[6] and a positive currency translation impact of 2.9%. Sales growth was solid in North America with the Eurozone and the Rest of the World adversely impacted essentially by milder winter conditions compared to 2018.

- **Moleskine: -2.2%** with solid growth in Wholesale offset by a decline in the other channels. The sales momentum improved significantly in Q2 2019 (+9.3%) following a 14.7% drop in Q1 2019 which was due to exceptionally large B2B orders during the same period last year.

Combined sales (EUR million)



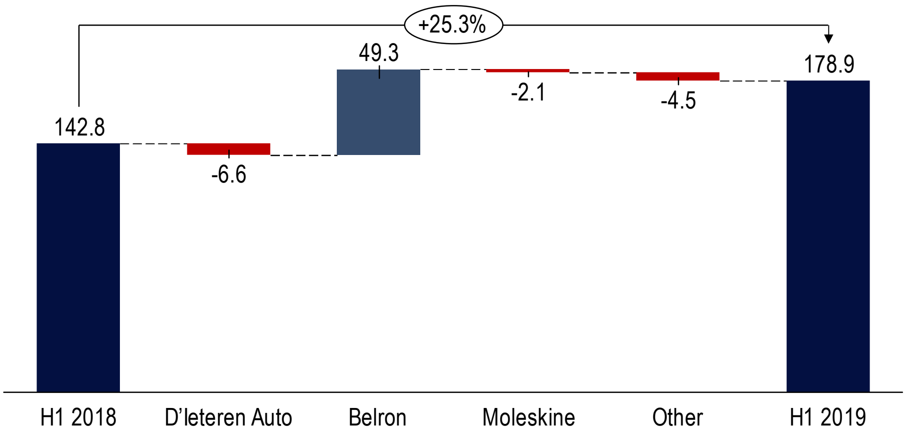
B. Results

- The **consolidated result before tax[2] (under IFRS)** reached EUR 125.5 million (EUR 95.5 million in H1 2018) (see note 4 of the 2019 Half-Yearly Financial Report for further details).

- Our key performance indicator – the ***adjusted*** **consolidated result before tax, group's share**[1,2] – amounted to EUR 178.9 million, up 25.3% on a comparable basis (54.10% stake in Belron). It breaks down as follows:

  - **D'Ieteren Auto**: EUR 84.9 million, -7.2% year-on-year, mainly due to lower new car deliveries, a negative model effect at Volkswagen and Porsche, higher inventory write-downs and higher investments at Lab Box. The results of the Import activity improved, while the performance of Retail deteriorated.
  - **Belron:** EUR 104.8 million, up 88.8% year-on-year reflecting good progress on the Fit for Growth programme partly offset by higher financial charges following the new loan and dividend pay-out in Q4 2018.
  - **Moleskine:** EUR -1.7 million, mainly reflecting the impact from lower B2B sales and the resulting negative operating leverage.
  - **Other (including corporate and real estate activities):** EUR -9.1 million compared to EUR -4.6 million in H1 2018.

Segment contribution to the change in *adjusted* PBT, g.s.[1,2] (EUR million)



- The **group's share in the net result for the period** equalled EUR 108.8 million (EUR 1,082.4million in H1 2018) on a pre-IFRS 16 basis or EUR 106.3 million on a post-IFRS 16 basis. The H1 2018 figure included 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 134.1 million, up 10.0% year-on-year (pre-IFRS 16).

1. D'Ieteren Auto

- **Excluding registrations of less than 30 days[3], the Belgian market dropped by 7.40% year-on-year and D'Ieteren Auto's share[3] improved marginally to 22.04% in H1 2019 (21.95% in H1 2018) underpinned by the continuing success of the SUV models.**
- **New vehicle sales fell by 3.6% to EUR 1,719.5 million reflecting lower car sales, partly offset by higher commercial vehicle sales.**
- **Total sales reached EUR 1,939.5 million (-3.1%).**
- **The operating result[2] of D'Ieteren Auto reached EUR 80.0 million (EUR 83.7 million in H1 2018). The impact from IFRS 16 is nil.**
  - **The *adjusted* operating result[1,2] decreased by 8.1% to EUR 81.0 million mainly due to lower revenues, a negative model mix effect at Volkswagen and Porsche, higher inventory write-downs, lower contribution from Retail and higher investments at Lab Box.**
  - **The *adjusting* items[1] comprised in the operating result (EUR -1.0 million) relate to the Market Area strategy.**
- **The result before tax[2] reached EUR 82.2 million (-7.5%).**
- **The *adjusted* result before tax, group's share[1,2], reached EUR 84.9 million (EUR 91.5 million in H1 2018), down 7.2%.**
- **Revised outlook for FY 2019: D'Ieteren Auto aims at a higher market share in a Belgian new car market that is expected to be slightly down. The *adjusted* result before tax, group's share[1,2], is expected to be broadly stable (previous guidance: "improve slightly").**

€m	H1 2018			% change adjusted items	H1 2019			% change total
		APM (non-GAAP measures) [1]			APM (non-GAAP measures) [1]			
	Total Pre-IFRS 16	Adjusting items	Adjusted items		Adjusted items	Adjusting items	Total Pre-IFRS 16	
New vehicles delivered (in units)	73,178	-	-	-	-	-	71,517	-2.3%
External sales	2,000.8	-	2,000.8	-3.1%	1,939.5	-	1,939.5	-3.1%
Operating result	83.7	-4.4	88.1	-8.1%	81.0	-1.0	80.0	-4.4%
Net finance costs	-0.7	0.5	-1.2	0.0%	-1.2	0.0	-1.2	71.4%
Result before tax (PBT)	88.9	-0.9	89.8	-7.3%	83.2	-1.0	82.2	-7.5%
Adjusted PBT, group's share[1]	-	-	91.5	-7.2%	84.9	-		-

1.1 Activities, sales and results

Market, share and deliveries

Excluding registrations of less than 30 days[3], the number of new car registrations in Belgium decreased by 7.40% year-on-year to 299,126 units. Including these registrations, the Belgian market totalled 310,488 new car registrations, down 6.3% year-on-year. The evolution of new car registrations showed diverging trends with a 0.8% rise in the business segment and a 13.2% decline in the individual customer segment. In the individual customer segment potential buyers postponed their purchase because of uncertainty related to the fiscal regime (e.g. road taxes, taxes on diesel) and regulation (e.g. city bans) governing various fuel types and propulsion systems. This uncertainty was exacerbated by the absence of a federal and regional governments.

The share of diesel reached 31% in H1 2019 compared to 36% in H1 2018 and the share of new energy engines (electric, hybrid, CNG and LPG) rose from 6% in H1 2018 to 7% in H1 2019. The share of SUV models continued to rise (40% in H1 2019 versus 37% in H1 2018).

Excluding new car registrations of less than 30 days[3], the market share of the brands distributed by D'Ieteren Auto improved from 21.95% in H1 2018 to 22.04% in H1 2019 underpinned by the continuing success of the SUV models (e.g. Audi Q3, Volkswagen T-Roc, Škoda Karoq, Seat Tarraco and Porsche Macan).

Registrations of new light commercial vehicles (0 to 6 tonnes) rose by 2.8% to 44,103 units. D'Ieteren Auto's market share improved by 128bps to 11.63% reflecting the success of the Volkswagen Caddy and Crafter.

The total number of new vehicles, including commercial vehicles, delivered by D'Ieteren Auto in H1 2019 reached 71,517 units (-2.3% compared to H1 2018) with a 8.0% rise in commercial vehicles more than offset by a 3.7% drop in passenger cars.

Sales

D'Ieteren Auto's sales decreased by 3.1% (-3.6% excluding acquired dealerships) to EUR 1,939.5 million in H1 2019:

- New vehicle sales dropped by 3.6% to EUR 1,719.5 million mainly on the back of lower volumes and a negative model mix effect at Volkswagen and Porsche;
- The sale of spare parts and accessories reached EUR 110.5 million (+3.7% year-on-year);
- Revenues from after-sales activities of the corporately-owned dealerships rose by 12.8% (+7.2% excluding acquired dealerships) to EUR 47.5 million;
- D'Ieteren Sport's sales, which are mainly comprised of Yamaha motorbikes, quads and scooters, reached EUR 18.3 million (-6.2%);
- Used car sales reached EUR 32.7 million (-9.9%).

Results

The operating result[2] declined from EUR 83.7 million in H1 2018 to EUR 80.0 million in H1 2019 in spite of better results at Import. The 8.1% decline of the *adjusted* operating result[1,2] (EUR 81.0 million) is mainly due to lower revenues, a negative model mix effect at Volkswagen and Porsche, higher inventory write-downs, lower results at Retail and higher investments at Lab Box. As a reminder, inventory write-down reversals due to the transfer of buy-back agreements with rental car companies, had a positive impact of EUR 4.1 million on the *adjusted* operating result[1,2] in H1 2018. D'Ieteren Auto also faced a tough comparison base in H1 2019. Note also that the *adjusted* operating result[1,2] was up 29.4% y/y in H1 2018 partly due to the WLTP effect. The *adjusting* items[1] (EUR -1.0 million) are related to the Market Area strategy.

Net financial expenses equalled EUR -1.2 million in H1 2019 (EUR -0.7 million in H1 2018).

The result before tax[2] reached EUR 82.2 million (EUR 88.9 million in H1 2018). The *adjusted* result before tax, group's share[1,2] amounted to EUR 84.9 million (-7.2%). The contribution of the equity accounted entities amounted to EUR 5.1 million (EUR 4.6 million in H1 2018).

Income tax expenses reached EUR 24.5 million (EUR 28.9 million in H1 2018). *Adjusted* tax expenses[1] equalled EUR 25.1 million (EUR 30.4 million in H1 2018).

The result after tax, group's share, amounted to EUR 57.7 million (EUR 60.0 million in H1 2018). The *adjusted* result after tax, group's share[1,2], declined slightly from EUR 59.4 million to EUR 58.1 million.

1.2 Net cash and cash flow

On a pre-IFRS 16 basis, D'Ieteren Auto's net cash position reached EUR 0.5 million at the end of June 2019 (EUR 12.4 million at the end of June 2018). Including lease liabilities (IFRS 16), net debt amounted to EUR 12.4 million at the end of June 2019.

The *adjusted* free cash flow[1] (after tax) increased significantly from EUR 24.7 million in H1 2018 to EUR 64.8 million in H1 2019. The improvement is due to a cash inflow from working capital of EUR 15.9 million versus a cash outflow of EUR 44.5 million in H1 2018. Trade and other payables rose by EUR 130.3 million compared to the end of 2018 due to the timing of some payments. Inventory levels rose by EUR 42.6 million due to a high level of deliveries from the OEMs in June and stocking ahead of the launch of WLTP for light commercial vehicles as from 1 September 2019. The *adjusted* EBITDA[1,5] reached EUR 85.5 million in H1 2019 versus EUR 91.7 million in H1 2018 and capex increased by EUR 5.9 million to EUR 12.8 million.

1.3 Key developments

At the end of June 2019, D'Ieteren SA announced its intention to carve-out its vehicle distribution and retail business, D'Ieteren Auto, into a new fully owned subsidiary. At a second level, D'Ieteren Auto has the intention to carve-out part of its own activities (D'Ieteren Car Centres, the Porsche Centres in Brussels and Antwerp and EDI, the new electric vehicle charging service) into several new subsidiaries. These operations would make D'Ieteren Auto more flexible and bring it closer to its customers in a market where digitisation and new mobility solutions make it strategically vital to have direct contact with different types of customers.

Within the framework of the Magellan project, D'Ieteren Auto has identified and started to implement improvement measures in its core businesses (import and retail). It has also identified new growth initiatives in vehicle related services.

Lab Box, D'Ieteren Auto's start-up accelerator that focuses on the future of mobility, continued to expand its portfolio:

- It acquired an 80% stake in CarASAP, a ride-hailing platform that allows customers (mainly B2B) to book a car with a professional driver in the Brussels region;
- Poppy, the mobility sharing platform that has been active in Antwerp since the beginning of 2018, has entered the Brussels region through the acquisition of Zipcar's Belgian activities from Avis Budget Group;
- Poppy also expanded its fleet to become the first European shared mobility player offering 3 forms of transport. Its fleet now consists in 300 eco-friendly cars, 300 electric scooters and 400 electric steps;
- After a test phase, Lab Box launched Skipr (formerly Pikaway), a mobility application that combines different modes of mobility including public transport, ride-hailing and other sharing solutions (cars, scooters, bicycles). For a given journey, Skipr proposes different itineraries and allows to book and pay directly via the app.
- Lab Box also launched Lizy, an innovative digital platform allowing B2B customers to acquire recent second-hand vehicles with a leasing contract.

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 FY 2019. The comparison base will be easier in H2 2019 because new car registrations declined by 5.9% in H2 2018 due to the introduction of WLTP in September. The drop was even more pronounced for the brands distributed by D'Ieteren (-10.9%).

The pipeline of H2 2019 includes a facelift of the Audi A4, the introduction of the A1 City Carver, the Q3 Sportback and the e-tron Sportback and the replacement of the A3 Sportback. The new Volkswagen Golf will be launched in Q4. The Škoda Octavia Combi will be replaced and a new SUV (Kamiq) will be introduced.

Revised guidance: the *adjusted* result before tax, Group's share[4,5], is expected to be broadly stable (previous guidance: "improve slightly") in FY 2019.

2. Belron

At Belron's level (at 100%):

- **Sales (EUR 2,114.4 million) rose by 8.0% in H1 2019, comprising 5.1% organic growth[6] and a positive currency effect of 2.9%. Belron served 9.18 million consumers (of which 6.91 million in Vehicle Glass Repair and Replacement), a decrease of 1.0% on a comparable basis. Solid growth in North America was offset by a drop in the number of VGRR consumers in Europe and the Rest of the World essentially due to milder winter weather.**
- **The operating result reached EUR 192.1 million (EUR 106.9 million in H1 2018) on a pre-IFRS 16 basis:**
  - **The *adjusted* operating result[1,2] rose by 55.9% to EUR 227.6 million or by 67.7% on a comparable basis (after having applied a EUR 10.3 million depreciation charge in H1 2018) (see details on the following page).**
  - **The *adjusting items*[2] which amounted to EUR -35.5 million include a EUR 21.0 million impairment charge related to the activities in Italy.**
- **IFRS 16 has a positive impact of EUR 7.1 million on the operating result in H1 2019 as operating lease expenses are replaced by a depreciation charge for the right-of-use assets and interest expenses (below operating result) on lease liabilities (see notes 2 and 4 of the "2019 Half-Yearly Financial Report" for further details).**

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

- **The result before tax totalled EUR 158.2 million (EUR 1,066.2 million in H1 2018). The H1 2018 figure included the consolidated gain on the disposal of the 40% stake in Belron.**
- **The *adjusted* result before tax, group's share[1], reached EUR 104.8 million compared to EUR 55.5 million (restated to reflect the same stake of 54.10% as in H1 2019). The strong rise reflects a strong improvement in the underlying operating performance, in North America in particular.**
- **Revised guidance: on a comparable basis (54.10% stake and pre IFRS 16 in 2019 and 2018), Belron's *adjusted* result before tax, group's share[1] is expected to rise by at least 70% (previous guidance: "at least 30%") in FY 2019 as Fit for Growth initiatives bear fruit.**

€m	H1 2018			% change adjusted items	H1 2019			% change total
	Total Pre-IFRS 16	*APM (non-GAAP measures)* [1] Adjusting items	Adjusted items		*APM (non-GAAP measures)* [1] Adjusted items	Adjusting items	Total Pre-IFRS 16	
Number of consumers *(million)*	**9.4**	-	-	-	-	-	**9.2**	**-2.0%**
External sales	**1,957.2**	-	*1,957.2*	*8.0%*	*2,114.4*	-	**2,114.4**	***8.0%***
Operating result	**106.9**	*-39.1*	*146.0*	*55.9%*	*227.6*	*-35.5*	**192.1**	***79.7%***
Net finance costs	**959.3**	*987.7*	*-28.4*	*19.4%*	*-33.9*	*0.0*	**-33.9**	**-**
Result before tax (PBT)	**1,066.2**	*948.6*	*117.6*	*64.7%*	*193.7*	*-35.5*	**158.2**	***-85.2%***
Adjusted PBT, group's share[1] (@ 54.10%)	**-**	-	*55.5*	*88.8%*	*104.8*	-	**-**	**-**

2.1 Sales and results

Sales

Belron's sales reached EUR 2,114.4 million during H1 2019, a year-on-year increase of 8.0%, comprising a 5.1% organic increase[6] and a positive currency translation impact of 2.9%. Acquisition growth of 1% was offset by 1% reduction from disposals.

The total number of consumers served reached 9.2 million (-2%). The slight decline is due to the discontinuation of Claims Management in Canada and a decline in VGRR, with mid-single digit growth in North America offset by high-single digit declines in the Eurozone and the Rest of the World due to milder winter weather. The table below shows the number of consumers including those of the franchisees.

Consumers (million)	H1 2018	H1 2019	% Change
Vehicle Glass Repair and Replacement (VGRR)	7.02	6.91	-2%
Claims Management	2.16	1.99	-8%
Automotive Damage Repair and Replacement (ADRR)	0.08	0.08	2%
Home Damage Repair and Replacement (HDRR)	0.12	0.20	70%
Total	**9.37**	**9.18**	**-2%**

North America sales increased by 19.9% of which 12.4% was organic[6], as a result of increases in both volume and value, including product mix. Regional acquisitions contributed 1.2% of growth and 6.3% was from favourable currency translation.

Eurozone sales decreased by 0.4%, excluding the impact of disposals, comprising 1.2% organic[6] decline, offset by 0.7% growth from minor acquisitions and a 0.1% positive contribution from currency translation. The organic decline reflects lower volumes essentially due to milder weather.

Rest of World sales decreased by 0.6%, with 1.4% lower organic[6] sales, offset by 0.9% increase from acquisitions. There was minimal currency translation impact. The organic[6] decline reflects lower volumes in the UK due to milder weather. The acquired growth primarily relates to Laser, the Home Damage Repair and Replacement (HDRR) business in Australasia, which was acquired in March 2018.

Results

The operating result rose by 79.7% to EUR 192.1 million on a pre-IFRS 16 basis. The *adjusted* operating result[1] improved by 55.9% to EUR 227.6 million reflecting volume growth, value growth notably from product mix, the rising penetration of ADAS and tight control of costs. 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 result[1] increased by 67.7% in H1 2019.

Charges related to the legacy long-term management incentive plan included in the operating result equalled EUR 22.7 million (H1 2018: EUR 14.2 million). The increase reflects the improved performance. The plan has been replaced by an equity-based reward plan or Management Reward Plan (MRP) in June 2018 so these charges will cease after the end of 2019.

Adjusting items[1] at the level of the operating result totalling EUR -35.5 million included an impairment charge of €21.0m related to the activities in Italy in view of lower expectations for this business. There were also restructuring costs, costs related to the set-up of the new joint-venture in Ireland and charges relating to the closure of Canada's claims management business.

Net financial costs reached EUR 33.9 million in H1 2019. Net financial income in H1 2018 (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 expenses[1] (pre-IFRS 16) rose from EUR 28.4 million in H1 2018 to EUR 33.9 million in H1 2019 due to the new loan (EUR 400 million equivalent) in Q4 2018.

The result before tax reached EUR 158.2 million in H1 2019 (EUR 1,066.2 million in H1 2018). *Adjusted* income tax expenses[1] equalled EUR 55.8 million (EUR 28.7 million in H1 2018).

The *adjusted* result before tax, group's share[1] increased by 88.8% to EUR 104.8 million on a comparable basis (assuming 54.10% stake in H1 2018 and in H1 2019).

The result after tax, group's share, reached EUR 55.6 million in H1 2019 (EUR 1,023.6 million in H1 2018). The *adjusted* result after tax[1], group's share, rose from EUR 54.0 million to EUR 73.7 million (+36.5%). These results are based on a weighted average stake of 64.68% in Belron in H1 2018 and 54.10% in H1 2019.

2.2 Net debt and cash flow

On a pre-IFRS 16 basis, Belron's net financial debt[4] reached EUR 1,535.8 million (100%) at the end of June 2019. This compares with EUR 1,264.1 million at the end of June 2018 and EUR 1,638.6 million at the end of 2018. The decline versus the end of 2018 reflects the strong cash generation (particularly in the US) in H1 2019. Including lease liabilities (IFRS 16), net debt amounted to EUR 2,181.3 million at the end of June 2019.

The free cash flow (after tax) amounted to EUR 165.5 million in H1 2019 compared to EUR 103.5 million in H1 2018. The significant improvement is due to higher *adjusted* EBITDA[1,2,5], (EUR 102.9 million improvement), lower capex including finance lease payments (EUR 48.4 million compared to EUR 57.5 million) and a EUR 14.1 million decline in tax payments, partly offset by higher interests paid and a cash outflow of EUR 56.2 million from changes in working capital in H1 2019 compared to a cash inflow of EUR 2.6 million in H1 2018.

2.3 Key developments

Belron continued to pursue its Fit for Growth profit improvement plan focusing on accelerating growth as well as improving efficiency. Numerous initiatives are underway within this programme. It has also continued to make progress on its service extension initiatives with a focus on profitability.

The portfolio restructuring was completed during H1 2019, converting the Greek and Hungarian corporate operations into franchisees and transferring the Irish business into a new joint venture with a local partner.

Last week, Safelite® Group, Belron's subsidiary in the US, announced that it has reached an agreement to acquire the assets of TruRoad Holdings, Inc. (TruRoad) a vehicle glass repair and replacement (VGRR), ADAS recalibration and claims-management player. TruRoad serves customers across 17 US states, including consumers, commercial clients (fleets) and insurance carriers. Its annualized revenues amount to about USD 116 million.

2.4. Outlook 2019

Belron continues to anticipate mid-single digit organic sales growth[3].

On a comparable basis (54.10% stake and pre IFRS 16 in 2019 and 2018), Belron's *adjusted* result before tax, group's share[1] is expected to rise by at least 70% (previous guidance: "at least 30% rise") in FY 2019 thanks to sales growth and efficiency initiatives.

Charges related to the long-term management incentive programme are expected to reach EUR 45 million (EUR 34.1 million in FY 2018). This year, these charges are limited to the 2017-2019 programme. There won't be any charges related to this programme as from 2020. The legacy incentive plan was replaced by an equity-based reward plan (MRP) in June 2018.

3. Moleskine

- **Sales recovered in Q2 2019 (+9.3%) following the drop in Q1 2019 (-14.7%) to arrive at -2.2% in H1 2019. At constant exchange rates, sales dropped by 5.2%. The decline in Q1 2019 was largely due to lower B2B sales as Q1 2018 sales were boosted by some exceptionally large orders. The Wholesale channel performed well in H1 2019 with sales improving by 7.5%;**
- **The operating result reached EUR 2.7 million (-48.1%) mainly reflecting the impact from lower B2B sales and the resulting negative operating leverage. The bulk of the operating result was generated in June (EUR 5 million);**
- **The result before tax reached EUR -1.7 million (EUR 0.3 million in H1 2018);**
- **Unchanged guidance: Moleskine aims at accelerated sales and profit growth in H2 2019 and double-digit growth at constant exchange rates of its FY 2019 *adjusted* profit before tax[1].**

€m	H1 2018				H1 2019			
		APM (non-GAAP measures) [1]			APM (non-GAAP measures) [1]			
	Total Pre-IFRS 16	*Adjusting items*	*Adjusted items*	*% change adjusted items*	*Adjusted items*	*Adjusting items*	**Total** Pre-IFRS 16	***% change total***
External sales	**72.7**	-	72.7	-2.2%	71.1	-	**71.1**	**-2.2%**
Operating result	**5.2**	-	5.2	-48.1%	2.7	-	**2.7**	**-48.1%**
Net finance costs	**-4.9**	-0.1	-4.8	-8.3%	-4.4	-	**-4.4**	**-10.2%**
Result before tax (PBT)	**0.3**	-0.1	0.4	-	-1.7	-	**-1.7**	**-**
Adjusted PBT, group's share[1]	**-**	-	0.4	-	-1.7	-	**-**	**-**

3.1 Sales and results

Sales

Sales reached EUR 71.1 million (-2.2% or -5.2% at constant exchange rates). The positive currency effect reflects the strengthening of the USD and the HKD versus the EUR. Sales growth in Wholesale and E-Commerce was largely offset by a decline in B2B sales following some exceptionally large B2B orders in EMEA and APAC in 1H 18. As a reminder, B2B revenues had increased by 73.6% in H1 2018.

Sales growth by region:

- **Americas** (41% of total): 9.5% growth (2.7% at constant exchange rates) was underpinned by double-digit growth in Wholesale and B2B;
- **EMEA** (45% of total): the 11.2% drop was due to exceptionally large B2B orders in H1 2018. The other channels realized growth;
- **APAC** (14% of total): -3.5% (-8.1% at constant exchange rates) with growth in Wholesale more than offset by a drop in B2B, Retail and E-Commerce.

Sales growth by channel:

- **Wholesale** (61% of total): the 7.5% improvement (3.9% at constant exchange rates) reflects solid growth across all regions. Growth in EMEA was driven by a positive momentum in Italy and Spain and continued strength of bag sales. US sales were underpinned by solid sales levels at online retailers and the launch of back-to-school programs. The Canadian operations benefited from the rollout of a visual merchandising program at a key retailer. APAC's double-digit growth was driven by trade marketing initiatives at leading Japanese retailers and online bag sales;
- **B2B** (19% of total): -24.7% (-27.9% at constant exchange rates) reflecting large orders in H1 2018 in EMEA and APAC. Note: H1 2019 B2B sales are up 30.1% (y/y_{-2}) versus H1 2017;
- **Retail** (14% of total): -4.2% (-6.1% at constant exchange rates). The decline was partly due to network pruning (78 stores at the end of 1H 2019 versus 80 at the end of 1H 2018). Like-for-like store sales growth was slightly negative as weak in-store traffic was only partially compensated by improved conversion and a higher average transaction value. The bags category continued to show double-digit growth despite a tough comparable base (bag sales growth exceeded 30% in H1 2018);
- **E-Commerce** (4% of total): -4.2%. At constant exchange rates, sales were flat with growth in EMEA and Americas offset by a drop APAC.

Results

The operating result reached EUR 2.7 million (EUR 2.9 million post-IFRS 16) in H1 2019 compared to EUR 5.2 million in H1 2018 mainly reflecting the impact from lower B2B sales and the resulting negative operating leverage. The performance improved significantly towards the end of the semester with an operating result of EUR 5.5 million in June.

Net financial charges decreased from EUR 4.9 million to EUR 4.4 million. The *adjusted* result before tax amounted to EUR -1.7 million (EUR 0.4 million in H1 2018).

The income tax expense totalled EUR 0.9 million in H1 2019. The EUR 6.6 million income tax revenue in H1 2018 was due to the Patent Box benefit (related to the period 2015-2018). The result after tax, group's share, reached EUR -2.5 million (EUR 6.9 million in H1 2018).

3.2 Net debt and free cash flow

Moleskine's net debt (pre-IFRS 16) reached EUR 291.2 million (of which EUR 158.3 million intra-group borrowing) at the end of June 2019 compared to EUR 296.5 million at the end of June 2018 and EUR 282.2 million at December 2018. Including lease liabilities (IFRS 16), net debt amounted to EUR 325.4 million at the end of June 2019.

Free cash flow after tax amounted to EUR -7.3 million in H1 2019 compared to EUR -4.2 million in H1 2018. The evolution is mainly due to lower EBITDA (EUR 7.4 million in H1 2019 versus EUR 11.8 million in H1 2018).

3.3 Latest developments

The distribution of the Backpack was rolled out across the Wholesale (including specialized distribution) and direct-to-consumer channels (Retail and E-Commerce). The Backpack collection will be increasingly positioned as the hero product within the wider bags category in order to accentuate its distinctive positioning while enhancing communication. The collection is expected to significantly contribute to growth in 2019 and beyond.

Technological developments have shifted towards greater mobility and new ways of interacting. Moleskine has welcomed these technological changes as opportunities to transform and enrich its relationship with its customer base. For example, in May 2019 Moleskine acquired Edo.io, one of the start-ups from the Moleskine Open Innovation Program. Edo.io is the maker of the Edo Agenda, a digital planner service, which is designed to enable user productivity and creativity. The idea and scope of the application is thus perfectly in line with the Moleskine brand values of culture, imagination, memory, self-expression and personal identity.

Moleskine is one of the winners of this year's Apple Design Awards thanks to Flow, an all-new way to create simple drawings, complex works of art, and beautiful notes on an iPad and iPhone. The app has been built from the ground up with creators in mind, offering dozens of combinations for paper types, colors, and tools.

3.4. Outlook for 2019

Unchanged guidance: Moleskine aims at double-digit growth at constant exchange rates of its FY 2019 *adjusted* profit before tax[1].

Sales and profit growth is expected to accelerate in H2 2019 thanks to:

- Continued mid-single digit sales growth in the Wholesale channel;
- Improving B2B sales growth underpinned by a solid order book;
- The seasonal uplift in the direct channels (Retail and E-Commerce).

4. 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 result[1] reached EUR -11.4 million in H1 2019 compared to EUR -7.0 million in H1 2018. This reflects a temporary rise in Corporate costs and certain administrative taxes.

The EUR 6.5 million *adjusting* item[1] in the operating result relates to a gain on the disposal of a property. The *adjusting* item[1] in the financial result includes a loss on the fair value of a contingent liability relating to the disposal of the 40% stake in Belron to CD&R.

Adjusted result before tax, group's share[1] reached EUR -9.1 million (EUR -4.6 million in H1 2018).

€m	H1 2018			% change adjusted items	H1 2019			% change total
		APM (non-GAAP measures) [1]			APM (non-GAAP measures) [1]			
	Total IFRS	*Adjusting items*	*Adjusted items*		*Adjusted items*	*Adjusting items*	**Total** IFRS	
External sales	**-**	-	-	-	-	-	**-**	**-**
Operating result	**-18.3**	*-11.3*	*-7.0*	*62.9%*	*-11.4*	*6.5*	**-4.9**	***-73.2%***
Net finance costs	**2.4**	*0.0*	*2.4*	*-4.2%*	*2.3*	*-11.6*	**-9.3**	**-**
Result before tax (PBT)	**-15.9**	*-11.3*	*-4.6*	*97.8%*	*-9.1*	*-5.1*	**-14.2**	***-10.7%***
Adjusted PBT, group's share[1]		-	*-4.6*	*97.8%*	*-9.1*	-	**-**	**-**

The decline in the net cash position (pre-IFRS 16) from EUR 1,142.2 million at the end of 2018 to EUR 1,073.3 million at the end of June 2019 is largely due to the EUR 54.8 million dividend payment to shareholders of D'Ieteren.

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 12 for the definition of these performance indicators.

[2] Pre-IFRS 16

[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 18.

[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.

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 6-month period ended 30 June

EUR million	2019			2018 (1)		
	Total	*Of which*		**Total**	*Of which*	
		Adjusted result	*Adjusting items*		*Adjusted result*	*Adjusting items*
Revenue	**2,010.6**	*2,010.6*	-	**2,073.5**	*2,073.5*	-
Cost of sales	-1,746.9	*-1,746.9*	-	-1,803.7	*-1,803.7*	-
Gross margin	**263.7**	*263.7*	-	**269.8**	*269.8*	-
Commercial and administrative expenses	-190.6	*-189.6*	*-1.0*	-197.2	*-181.5*	*-15.7*
Other operating income	13.5	*7.0*	*6.5*	3.2	*3.2*	-
Other operating expenses	-8.6	*-8.6*	-	-5.2	*-5.2*	-
Operating result	**78.0**	*72.5*	*5.5*	**70.6**	*86.3*	*-15.7*
Net finance costs	-15.3	*-3.7*	*-11.6*	-3.2	*-3.6*	*0.4*
Finance income	0.5	*0.5*	-	1.1	*0.6*	*0.5*
Finance costs	-15.8	*-4.2*	*-11.6*	-4.3	*-4.2*	*-0.1*
Share of result of equity-accounted investees, net of income tax	56.7	*74.8*	*-18.1*	28.1	*43.2*	*-15.1*
Result before tax	**119.4**	*143.6*	*-24.2*	**95.5**	*125.9*	*-30.4*
Income tax expense	-13.2	*-12.1*	*-1.1*	-14.5	*-17.7*	*3.2*
Result from continuing operations	**106.2**	*131.5*	*-25.3*	**81.0**	*108.2*	*-27.2*
Discontinued operations	-	-	-	1,002.1	*14.4*	*987.7*
RESULT FOR THE PERIOD	**106.2**	*131.5*	*-25.3*	**1,083.1**	*122.6*	*960.5*
Result attributable to:						
Equity holders of the Company	**106.3**	*131.6*	*-25.3*	**1,082.4**	*121.9*	*960.5*
Non-controlling interests	-0.1	*-0.1*	-	0.7	*0.7*	-
Earnings per share						
Basic (EUR)	1.94	*2.40*	*-0.46*	19.75	*2.22*	*17.53*
Diluted (EUR)	1.94	*2.40*	*-0.46*	19.71	*2.22*	*17.49*
Earnings per share -Continuing operations						
Basic (EUR)	1.94	*2.40*	*-0.46*	1.48	*1.98*	*-0.50*
Diluted (EUR)	1.94	*2.40*	*-0.46*	1.48	*1.97*	*-0.49*

(1) As restated to reflect reallocation of costs in the framework of continuous improvement of the financial reporting presentation – See note 1 of the 2019 half-yearly financial report for more information.
The Group has initially adopted IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information has not been restated and the cumulative effect of initially applying IFRS 16 is recognized in retained earnings at the date of initial application. See note 2 of the 2019 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 (automobile distribution activities), Belron, Moleskine and Other (corporate and real estate activities). These operating segments are consistent with the Group's organisational and internal reporting structure, and with the requirements of IFRS 8 "Operating Segments".

Despite its classification as an equity-accounted investee, Belron remains a reportable operating segment, reflecting the Group's internal reporting structure.

The Group has initially adopted IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information has not been restated. The Group presents the 6-month results ended 30 June 2019 of its operating segments on a pre-IFRS 16 basis, reflecting the Group's internal reporting structure and facilitating the comparison with the prior period results.

EUR million		**2019**						
		D'Ieteren Auto	**Belron**	**Mole-skine**	**Other**	**IFRS 16 Impacts**	**Elimi-nations**	**Group**
External revenue		1,939.5	2,114.4	71.1	-	-	-2,114.4	2,010.6
Inter-segment revenue		-	-	-	-	-	-	-
Segment revenue		**1,939.5**	**2,114.4**	**71.1**	**-**	**-**	**-2,114.4**	**2,010.6**
Operating result (being segment result)		**80.0**	**192.1**	**2.7**	**-4.9**	**7.3**	**-199.2**	**78.0**
Of which	*Adjusted result*	*81.0*	*227.6*	*2.7*	*-11.4*	*7.3*	*-234.7*	*72.5*
	Adjusting items	*-1.0*	*-35.5*	*-*	*6.5*	*-*	*35.5*	*5.5*
Net finance costs		-1.2	-33.9	-4.4	-9.3	-13.4	46.9	-15.3
	Finance income	0.1	8.4	0.3	0.1	-	-8.4	0.5
	Finance costs	-1.3	-42.3	-2.4	-11.7	-13.4	55.3	-15.8
	Inter-segment financing interest	-	-	-2.3	2.3	-	-	-
Share of result of equity-accounted investees, net of income tax		3.4	-	-	-	-	53.3	56.7
Result before tax		**82.2**	**158.2**	**-1.7**	**-14.2**	**-6.1**	**-99.0**	**119.4**
Of which	*Adjusted result*	*83.2*	*193.7*	*-1.7*	*-9.1*	*-6.1*	*-116.4*	*143.6*
	Adjusting items	*-1.0*	*-35.5*	*-*	*-5.1*	*-*	*17.4*	*-24.2*
Income tax expense		-24.5	-55.4	-0.9	12.2	1.6	53.8	-13.2
Result from continuing operations		**57.7**	**102.8**	**-2.6**	**-2.0**	**-4.5**	**-45.2**	**106.2**
Of which	*Adjusted result*	*58.1*	*136.3*	*-2.6*	*4.8*	*-4.5*	*-60.6*	*131.5*
	Adjusting items	*-0.4*	*-33.5*	*-*	*-6.8*	*-*	*15.4*	*-25.3*
Discontinued operations		-	-	-	-	-	-	-
RESULT FOR THE PERIOD		**57.7**	**102.8**	**-2.6**	**-2.0**	**-4.5**	**-45.2**	**106.2**

Attributable to:		**D'Ieteren Auto**	**Belron**	**Mole-skine**	**Other**	**IFRS 16 impact**	**Group**
Equity holders of the Company		**57.7**	**55.6**	**-2.5**	**-2.0**	**-2.5**	**106.3**
Of which	*Adjusted result*	*58.1*	*73.7*	*-2.5*	*4.8*	*-2.5*	*131.6*
	Adjusting items	*-0.4*	*-18.1*	*-*	*-6.8*	*-*	*-25.3*
Non-controlling interests		-	-	-0.1	-	-	-0.1
RESULT FOR THE PERIOD		**57.7**	**55.6**	**-2.6**	**-2.0**	**-2.5**	**106.2**

In the period, the column "IFRS 16 impacts" reconciles the segment statement of profit or loss, with the 6-month results presented, as previously reported, under IAS 17, to the IFRS Group consolidated statement of profit or loss under IFRS 16. See note 4 of the 2019 of the half-yearly financial report for more details.

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 under global integration method) to the IFRS Group consolidated statement of profit or loss (with the net result of Belron presented in the line "share of result of equity-accounted investees, net of income tax", representing the share of the Group in the net result of Belron over the first six months of the year).

EUR million		2018 (1)					
		D'Ieteren Auto	Belron	Mole-skine	Other	Elimi-nations	Group
External revenue		2,000.8	1,957.2	72.7	-	-1,957.2	2,073.5
Inter-segment revenue		-	-	-	-	-	-
Segment revenue		**2,000.8**	**1,957.2**	**72.7**	**-**	**-1,957.2**	**2,073.5**
Operating result (being segment result)		**83.7**	**106.9**	**5.2**	**-18.3**	**-106.9**	**70.6**
Of which	*Adjusted result*	*88.1*	*146.0*	*5.2*	*-7.0*	*-146.0*	*86.3*
	Adjusting items	*-4.4*	*-39.1*	*-*	*-11.3*	*39.1*	*-15.7*
Net finance costs		-0.7	959.3	-4.9	2.4	-959.3	-3.2
	Finance income	0.6	987.9	0.4	0.1	-987.9	1.1
	Finance costs	-1.3	-28.6	-3.0	-	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		**88.9**	**1,066.2**	**0.3**	**-15.9**	**-1,044.0**	**95.5**
Of which	*Adjusted result*	*89.8*	*117.6*	*0.4*	*-4.6*	*-77.3*	*125.9*
	Adjusting items	*-0.9*	*948.6*	*-0.1*	*-11.3*	*-966.7*	*-30.4*
Income tax expense		-28.9	-23.0	6.6	7.8	23.0	-14.5
Result from continuing operations		**60.0**	**1,043.2**	**6.9**	**-8.1**	**-1,021.0**	**81.0**
Of which	*Adjusted result*	*59.4*	*88.9*	*7.0*	*1.5*	*-48.6*	*108.2*
	Adjusting items	*0.6*	*954.3*	*-0.1*	*-9.6*	*-972.4*	*-27.2*
Discontinued operations		-	-	-	-	1,002.1	1,002.1
RESULT FOR THE PERIOD		**60.0**	**1,043.2**	**6.9**	**-8.1**	**-18.9**	**1,083.1**

Attributable to:		D'Ieteren Auto	Belron	Mole-skine	Other	Group
Equity holders of the Company		**60.0**	**1,023.6**	**6.9**	**-8.1**	**1,082.4**
Of which	*Adjusted result*	*59.4*	*54.0*	*7.0*	*1.5*	*121.9*
	Adjusting items	*0.6*	*969.6*	*-0.1*	*-9.6*	*960.5*
Non-controlling interests		-	0.7	-	-	0.7
RESULT FOR THE PERIOD		**60.0**	**1,024.3**	**6.9**	**-8.1**	**1,083.1**

(1) As restated to reflect reallocation of costs in the framework of continuous improvement of the financial reporting presentation – See note 1 of the 2019 half-yearly financial report for more information.
The Group has initially adopted IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information has not been restated and the cumulative effect of initially applying IFRS 16 is recognized in retained earnings at the date of initial application. See note 2 of the 2019 half-yearly financial report for more information.

In the prior period, the column "Eliminations" reconciled the segment statement of profit or loss (with the 6-month result of Belron presented on all lines as a continuing operation under global integration method) 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 with CD&R and in the line "share of result of equity-accounted investees, net of income tax" for the remaining of the period). See note 1 of the 2018 half-yearly financial report for more information.

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

In 2019 and 2018, the Group identified the following items as *adjusting* items throughout the four operating segments:

EUR million	2019							
	D'Ieteren Auto		Belron		Moleskine	Other		Total (segment)*
***Adjusting* items**								
Included in operating result	**-1.0**		**-35.5**		**-**	**6.5**		**-30.0**
Re-measurements of financial instruments	*-*		*3.4*	*(d)*	*-*	*-*		*3.4*
Amortisation of customer contracts	*-*		*-2.7*	*(e)*	*-*	*-*		*-2.7*
Amortisation of brands with finite useful life	*-*		*-0.2*	*(f)*	*-*	*-*		*-0.2*
Impairment of goodwill and of non-current assets	*-*		*-21.3*	*(g)*	*-*	*-*		*-21.3*
Other adjusting items	*-1.0*	*(a)*	*-14.7*	*(h)*	*-*	*6.5*	*(j)*	*-9.2*
Included in net finance costs	**-**		**-**		**-**	**-11.6**		**-11.6**
Re-measurements of financial instruments	*-*		*-*		*-*	*-11.6*	*(k)*	*-11.6*
Included in equity accounted result	**-**		**-**		**-**	**-**		**-**
Included in segment result before taxes (PBT)	**-1.0**		**-35.5**		**-**	**-5.1**		**-41.6**

* Total of the *adjusting* items at the level of each segment. 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	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*	*(j)*	*-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*	*-*		*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. 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.

<u>*D'Ieteren Auto*</u>

(a) In the period, other *adjusting* items in operating result include a charge of EUR 1.0 million (EUR 4.4 million in the prior period) in the framework of the "Market Area" project (optimization of the independent dealer network).

(b) In the prior period, other *adjusting* items in net finance costs included the consolidated gain on disposal of a dealership.

(c) In the prior period, the share of the Group in the *adjusting* items of entities accounted for using the equity method amounted to EUR 3.0 million and was related to the additional revenue recognised following a change in accounting estimates.

<u>*Belron*</u>

(d) Fair value of fuel hedge instruments amounts to EUR 3.4 million (EUR 0.6 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 in the United States, in France and in Belgium), certain customer contracts were recognised as intangible assets with a finite useful life. The amortisation amounts to EUR 2.7 million in both periods.

(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 0.2 million (EUR 1.2 million in the prior period).

(g) In the period, a total impairment charge of EUR 21.3 million is recognized and comprises:
- An impairment charge of EUR 21.0 million in Italy, allocated to the goodwill (EUR 20.6 million), brands (EUR 0.3 million) and other intangible assets (EUR 0.1 million), as a result of lower expectations;
- An impairment charge of EUR 0.3 million in the Netherlands, allocated to other intangible assets (following the EUR 40.0 million impairment charge recognised in 2018 in the Netherlands, there was no goodwill or significant other intangibles remaining).

These impairment charges are recognized following the impairment calculation performed at half-year, following the identification of indicators of impairment in these two cash-generating units.

(h) In the period, other *adjusting* items of EUR -14.7 million comprise EUR -11.1 million in relation to restructurings (France, Belgium, Portugal and Spain) and EUR -3.6 million mostly due to disposal costs.

In the prior period, other *adjusting* items of EUR -35.8 million mainly comprised 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 notes 1 and 16 of the 2018 consolidated financial statements) 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).

(i) In the prior period, other *adjusting* items in net finance costs included 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 and to notes 1 and 16 of the 2018 consolidated financial statements for more information and detail on the calculation.

<u>*Other*</u>

(j) In the period, the EUR 6.5 million *adjusting* item in operating result relates to the consolidated gain on the disposal of a property. In the prior period, other *adjusting* items in operating result (EUR -11.3 million) related to the remaining professional fees in the framework of the finalisation of the disposal of the 40% stake of Belron to CD&R.

(k) In the period, the re-measurement of financial instruments represents the loss on the fair value of a contingent liability relating to the disposal of the 40% stake of Belron to CD&R.

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

The 2019 figures are shown on a pre-IFRS 16 basis in accordance with the presentation of the Group's segment results and to facilitate the comparison with the prior period figures.

EUR million	**2019**					**2018**				
	D'Ieteren Auto	**Belron (54.10%)**	**Mole-skine**	**Other**	**Total (segment)**	**D'Ieteren Auto**	**Belron (64.68%)**	**Mole-skine**	**Other**	**Total (segment)**
Segment reported PBT (pre-IFRS 16)	**82.2**	**158.2**	**-1.7**	**-14.2**	**224.5**	**88.9**	**1,066.2**	**0.3**	**-15.9**	**1,139.5**
Less: *Adjusting* items in PBT	1.0	35.5	-	5.1	41.6	0.9	-948.6	0.1	11.3	-936.3
Segment *adjusted* PBT (pre-IFRS 16)	**83.2**	**193.7**	**-1.7**	**-9.1**	**266.1**	**89.8**	**117.6**	**0.4**	**-4.6**	**203.2**
Less: Share of the group in tax on *adjusted* results of equity-accounted investees	1.7	-	-	-	1.7	1.7	-	-	-	1.7
Share of non-controlling interests in *adjusted* PBT	-	-88.9	-	-	-88.9	-	-41.5	-	-	-41.5
Segment a*djusted* PBT, Group's share (pre-IFRS 16)	**84.9**	**104.8**	**-1.7**	**-9.1**	**178.9**	**91.5**	**76.1**	**0.4**	**-4.6**	**163.4**

In the period, the weighted average percentage used for computing the segment adjusted PBT, Group's share of Belron amounts to 54.10% (64.68% in the prior period).

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

EUR million	2019					2018				
	D'Ieteren Auto	Belron (54.10%)	Mole-skine	Other	Total (segment)	D'Ieteren Auto	Belron (54.10%)	Mole-skine	Other	Total (segment)
Segment a*djusted* PBT, Group's share (pre-IFRS 16)	**84.9**	**104.8**	**-1.7**	**-9.1**	**178.9**	**91.5**	**76.1**	**0.4**	**-4.6**	**163.4**
Excluding:										
Depreciation of non-currents assets (Group's Share)	-	-	-	-	-	-	-9.8	-	-	-9.8
Reduction of the share of the group (comparable basis with 2019)	-	-	-	-	-	-	-10.8	-	-	-10.8
***Adjusted* PBT, Group's share (key performance indicator – pre-IFRS 16)**	**84.9**	**104.8**	**-1.7**	**-9.1**	**178.9**	**91.5**	**55.5**	**0.4**	**-4.6**	**142.8**

In the prior period, in accordance with the requirements of IFRS 5, the Group did not depreciate the Belron's non-current assets as from the date 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 and notes 1 and 16 of the 2018 consolidated financial statements for more information). The impact in the consolidated income statement of the prior period was 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 was 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 2019				30 June 2018 (1)			
	D'Ieteren Auto	Belron (100%)	Mole-skine	Other	D'Ieteren Auto	Belron (100%)	Mole-skine	Other
Non-current loans and borrowings	0.7	1,717.9	106.7	0.8	0.6	1,315.8	122.8	0.9
Current loans and borrowings	0.7	59.4	33.7	-	2.4	56.5	34.0	0.1
Inter-segment financing	-	-	158.3	-158.3	-	-	153.6	-153.6
Adjustment for hedged borrowings	-	3.2	-	-	-	-	-	-
Gross debt	**1.4**	**1,780.5**	**298.7**	**-157.5**	**3.0**	**1,372.3**	**310.4**	**-152.6**
Less: Cash and cash equivalents	-1.9	-244.7	-7.5	-694.1	-15.4	-108.2	-13.9	-781.2
Less: Held-to-maturity investments	-	-	-	-201.6	-	-	-	-
Less: Other non-current receivables	-	-	-	-20.1	-	-	-	-20.1
Net debt (pre-IFRS 16)	**-0.5**	**1,535.8**	**291.2**	**-1,073.3**	**-12.4**	**1,264.1**	**296.5**	**-953.9**
Non-current lease liabilities arising from IFRS 16 adoption	6.4	524.1	26.4	4.3	-	-	-	-
Current lease liabilities arising from IFRS 16 adoption	6.5	121.4	7.8	0.4	-	-	-	-
Total net debt (post-IFRS 16)	**12.4**	**2,181.3**	**325.4**	**-1,068.6**	**-12.4**	**1,264.1**	**296.5**	**-953.9**

(1) The Group has initially adopted IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information has not been restated and the cumulative effect of initially applying IFRS 16 is recognized in retained earnings at the date of initial application. See note 2 of the 2019 half-yearly financial report for more information.

In both periods, 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.

On a pre-IFRS16 basis, Belron's net financial debt reached EUR 1,535.8 million (100% stake) at the end of June 2019. This compares with EUR 1,264.1 million at the end of June 2018 and EUR 1,638.6 million at the end of December 2018. The decrease of EUR 102.8 million on the year-end net debt is the result of strong cash generation (particularly from the United States) in the first six months of the year. The increase of EUR 271.7 million on the 2018 half-year net debt is partially explained by the 7-year Term Loan B facility of USD 455 million issued by Belron in

November 2018 (proceeds were used to pay a dividend of EUR 400 million to its shareholders). Under IFRS 16, an additional EUR 645.5 million of lease liabilities are recognised on the balance sheet (30 June 2019).

The increase in the net cash position of the segment “Other” (from EUR 953.9 million at 30 June 2018 to EUR 1,073.3 million at the end of June 2019) is primarily the result of 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 2019 of the dividend (EUR 54.8 million) to the shareholders of D’Ieteren.

MAJOR RISK FACTORS

The pending exit of the UK from the European Union (Brexit) could affect estimations or judgements made in the preparation of the financial statements, mostly for the entities with operations in the UK or Europe. Given the uncertainty about developments of the exit scenario (the prospect of a “no deal” Brexit on 31 October 2019 has become more likely), it is difficult to identify and implement specific changes. Risks and potential exposures to the Brexit are however assessed as reasonable due to the limited exposure of the Group to the UK economic environment and to the measures taken by local management to mitigate the risks.

To the best of our knowledge, there are no other major risks influencing the remaining six months of the financial year than those disclosed on pages 57-59 and 107-120 of our 2018 financial and directors’ report.

Condensed Consolidated Interim Financial Statements

Consolidated Statement of Profit or Loss

6-month period ended 30 June

EUR million	Notes	2019	2018 (1)
Revenue	5	**2,010.6**	**2,073.5**
Cost of sales		-1,746.9	-1,803.7
Gross margin		**263.7**	**269.8**
Commercial and administrative expenses		-190.6	-197.2
Other operating income	4	13.5	3.2
Other operating expenses		-8.6	-5.2
Operating result		**78.0**	**70.6**
Net finance costs		-15.3	-3.2
Finance income		0.5	1.1
Finance costs		-15.8	-4.3
Share of result of equity-accounted investees, net of income tax	10	56.7	28.1
Result before tax		**119.4**	**95.5**
Income tax expense	8	-13.2	-14.5
Result from continuing operations		**106.2**	**81.0**
Discontinued operations	4	-	1,002.1
RESULT FOR THE PERIOD		**106.2**	**1,083.1**
Result attributable to:			
Equity holders of the Company		**106.3**	**1,082.4**
Non-controlling interests ("NCI")		-0.1	0.7
Earnings per share			
Basic (EUR)	6	1.94	19.75
Diluted (EUR)	6	1.94	19.71
Earnings per share - Continuing operations			
Basic (EUR)	6	1.94	1.48
Diluted (EUR)	6	1.94	1.48

(1) As restated to reflect reallocation of costs in the framework of continuous improvement of the financial reporting presentation – See note 1 for more information.
The Group has initially adopted IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information has not been restated and the cumulative effect of initially applying IFRS 16 is recognized in retained earnings at the date of initial application. See note 2 for more information.

The notes on pages 25 to 36 are an integral part of these condensed consolidated interim financial statements.

The Group uses Alternative Performance Measures (non-GAAP measures) to reflect its financial performance – See interim management report and press release.

Consolidated Statement of Comprehensive Income

6-month period ended 30 June

EUR million	Notes	2019	2018 (1)
Result for the period		106.2	1,083.1
Other comprehensive income			
Items that will never be reclassified to profit or loss (net of tax):		3.3	13.1
Re-measurements of defined benefit liabilities/assets		*-0.1*	*-*
Equity-accounted investees - share of OCI	*10*	*3.4*	*13.1*
of which items from discontinued operations		*-*	*-*
Items that may be reclassified subsequently to profit or loss (net of tax):		-9.8	35.7
Translation differences		*1.0*	*11.3*
Reclassification of foreign currency difference on loss of exclusive control		*-*	*32.0*
Cash flow hedges: fair value gains (losses) in equity		*-0.1*	*-0.3*
Reclassification of cash flow hedges on loss of exclusive control		*-*	*-0.4*
Equity-accounted investees - share of OCI	*10*	*-10.7*	*-6.9*
of which items from discontinued operations		*-*	*43.5*
Other comprehensive income, net of tax		-6.5	48.8
Total comprehensive income for the period		**99.7**	**1,131.9**
being: attributable to equity holders of the Company		***99.8***	***1,131.2***
of which continuing operations		*99.8*	*86.3*
of which discontinued operations		*-*	*1,044.9*
attributable to non-controlling interests ("NCI")		***-0.1***	***0.7***

(1) The Group has initially adopted IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information has not been restated and the cumulative effect of initially applying IFRS 16 is recognized in retained earnings at the date of initial application. See note 2 for more information.

The notes on pages 25 to 36 are an integral part of these condensed consolidated interim financial statements.

Consolidated Statement of Financial Position

EUR million	Notes	30 June 2019	31 Dec. 2018 (1)	30 June 2018 (1)
Goodwill	9	196.2	190.7	188.3
Intangible assets		437.5	432.7	426.4
Property, plant & equipment		281.9	222.0	220.5
Investment property		14.6	13.9	8.8
Equity-accounted investees	10	764.5	721.4	965.5
Deferred tax assets		42.4	26.3	15.8
Other receivables		24.8	24.7	25.5
Non-current assets		**1,761.9**	**1,631.7**	**1,850.8**
Inventories		501.7	455.7	423.6
Investments	4	201.6	-	-
Current tax assets		9.3	10.0	14.2
Trade and other receivables		475.1	394.3	466.6
Cash & cash equivalents		703.5	933.0	810.5
Assets classified as held for sale		-	0.9	0.9
Current assets		**1,891.2**	**1,793.9**	**1,715.8**
TOTAL ASSETS		**3,653.1**	**3,425.6**	**3,566.6**
Capital & reserves attributable to equity holders		2,687.9	2,655.1	2,685.1
Non-controlling interests ("NCI")		0.5	0.3	0.3
Equity		**2,688.4**	**2,655.4**	**2,685.4**
Employee benefits		24.8	23.9	24.8
Provisions		21.0	14.9	17.8
Loans & borrowings		145.4	116.3	124.3
Other financial liabilities		-	20.2	-
Put options granted to non-controlling interests		0.3	0.3	0.3
Other payables		-	1.6	1.6
Deferred tax liabilities		132.8	131.4	131.5
Non-current liabilities		**324.3**	**308.6**	**300.3**
Provisions		4.0	2.2	2.0
Loans & borrowings		49.1	39.4	36.5
Derivative financial instruments		0.6	0.4	0.1
Other financial liabilities		31.8	-	-
Current tax liabilities		9.7	5.8	8.0
Trade & other payables		545.2	413.8	534.3
Current liabilities		**640.4**	**461.6**	**580.9**
TOTAL EQUITY AND LIABILITIES		**3,653.1**	**3,425.6**	**3,566.6**

(1) The Group has initially adopted IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information has not been restated and the cumulative effect of initially applying IFRS 16 is recognized in retained earnings at the date of initial application. See note 2 for more information.
As restated (see note 1 for more information).

The notes on pages 25 to 36 are an integral part of these condensed consolidated interim financial statements.

Consolidated Statement of Changes in Equity

EUR million	Capital and reserves attributable to equity holders						Total	Non-	Equity
	Share capital	Share premium	Treasury shares	Hedging reserve	Retained earnings	Cumu-lative translation differences	Group's share	controlling interests	
At 1 January 2018	**160.0**	**24.4**	**-34.6**	**0.4**	**1,658.0**	**-43.9**	**1,764.3**	**-3.8**	**1,760.5**
Profit for the period	-	-	-	-	1,082.4	-	1,082.4	0.7	1,083.1
Other comprehensive income	-	-	-	7.3	13.7	27.8	48.8	-	48.8
Total comprehensive income for the period	**-**	**-**	**-**	**7.3**	**1,096.1**	**27.8**	**1,131.2**	**0.7**	**1,131.9**
Treasury shares	-	-	-3.5	-	-	-	-3.5	-	-3.5
Dividends	-	-	-	-	-208.4	-	-208.4	-	-208.4
Put options - movements of the period	-	-	-	-	-0.3	-	-0.3	-	-0.3
Transfer within reserve	-	-	-	-	-2.2	2.2	-	-	-
Other movements	-	-	-	-	1.8	-	1.8	-0.4	1.4
Total contribution and distribution	**-**	**-**	**-3.5**	**-**	**-209.1**	**2.2**	**-210.4**	**-0.4**	**-210.8**
Disposal of subsidiary with change in control	-	-	-	-	-	-	-	3.8	3.8
Total change in ownership interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3.8**	**3.8**
At 30 June 2018	**160.0**	**24.4**	**-38.1**	**7.7**	**2,545.0**	**-13.9**	**2,685.1**	**0.3**	**2,685.4**
At 1 January 2019 (before adjustment)	**160.0**	**24.4**	**-38.3**	**2.6**	**2,521.2**	**-14.8**	**2,655.1**	**0.3**	**2,655.4**
Adjustment on initial application of IFRS 16 (net of tax) (1)	-	-	-	-	-6.4	-	-6.4	-	-6.4
At 1 January 2019 (adjusted)	**160.0**	**24.4**	**-38.3**	**2.6**	**2,514.8**	**-14.8**	**2,648.7**	**0.3**	**2,649.0**
Profit for the period	-	-	-	-	106.3	-	106.3	-0.1	106.2
Other comprehensive income	-	-	-	-12.6	4.9	1.2	-6.5	-	-6.5
Total comprehensive income for the period	**-**	**-**	**-**	**-12.6**	**111.2**	**1.2**	**99.8**	**-0.1**	**99.7**
Treasury shares	-	-	-6.9	-	-	-	-6.9	-	-6.9
Dividends (see note 11)	-	-	-	-	-54.8	-	-54.8	-	-54.8
Other movements	-	-	-	-	1.1	-	1.1	-	1.1
Total contribution and distribution	**-**	**-**	**-6.9**	**-**	**-53.7**	**-**	**-60.6**	**-**	**-60.6**
Acquisition of subsidiary with NCI	-	-	-	-	-	-	-	0.3	0.3
Total change in ownership interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.3**	**0.3**
At 30 June 2019	**160.0**	**24.4**	**-45.2**	**-10.0**	**2,572.3**	**-13.6**	**2,687.9**	**0.5**	**2,688.4**

(1) The Group has initially adopted IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information has not been restated and the cumulative effect of initially applying IFRS 16 is recognized in retained earnings at the date of initial application. See note 2 for more information.

The notes on pages 25 to 36 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Statement of Cash Flows

6-month period ended 30 June

EUR million	Notes	2019	2018 (1)
Cash flows from operating activities - Continuing			
Result for the period		106.2	81.0
Income tax expense		13.2	14.5
Share of result of equity-accounted investees, net of income tax	10	-56.7	-28.1
Net finance costs		15.3	3.2
Operating result from continuing operations		**78.0**	**70.6**
Depreciation and amortisation		19.6	11.1
Other non-cash items		6.6	0.7
Employee benefits		-2.1	-1.9
Change in net working capital		5.9	-52.2
Cash generated from operations		**108.0**	**28.3**
Income tax paid		-23.2	-15.2
Net cash from operating activities		**84.8**	**13.1**
Cash flows from investing activities - Continuing			
Purchase of property, plant and equipment and intangible assets		-25.0	-17.7
Sale of property, plant and equipment and intangible assets		7.6	0.6
Net capital expenditure		**-17.4**	**-17.1**
Acquisition of subsidiaries (net of cash acquired)	13	-5.8	-12.9
Disposal of subsidiaries (net of cash disposed of)		-	4.9
Contribution of cash from / (to) to joint ventures		-1.5	8.9
Proceeds from the sale of / (investments in) financial assets	4	-201.6	107.1
Interest received		0.1	0.9
Net investment in other financial assets		-0.2	-
Net cash from investing activities		**-226.4**	**91.8**
Cash flows from financing activities - Continuing			
Acquisition (-)/Disposal (+) of non-controlling interests		-	0.3
Net disposal/(acquisition) of treasury shares		-6.9	-3.6
Repayment of lease liabilities (2018: repayment of finance lease liabilities)		-6.9	-
Net change in other loans and borrowings		-15.8	-5.0
Interest paid		-3.7	-3.6
Dividends paid by the Company	11	-54.8	-208.4
Net cash from financing activities		**-88.1**	**-220.3**
Cash flows from continuing operations		**-229.7**	**-115.4**
Cash flows from discontinued operations		**-**	**552.3**
TOTAL CASH FLOW FOR THE PERIOD		**-229.7**	**436.9**
Reconciliation with statement of financial position			
Cash at beginning of period		933.0	297.3
Cash included in non-current assets classified as held for sale		-	76.4
Cash and cash equivalents at beginning of period		**933.0**	**373.7**
Total cash flow for the period		-229.7	436.9
Translation differences		0.2	-0.1
Cash and cash equivalents at end of period		**703.5**	**810.5**
Included within "Cash and cash equivalents"		*703.5*	*810.5*

(1) The Group has initially adopted IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information has not been restated and the cumulative effect of initially applying IFRS 16 is recognized in retained earnings at the date of initial application. See note 2 for more information.
As restated (see note 1 for more information)

The notes on pages 25 to 36 are an integral part of these condensed consolidated interim financial statements.

Notes to the Condensed Consolidated Interim Financial Statements

NOTE 1: GENERAL INFORMATION

s.a. D'Ieteren n.v. (the Company) is a public company incorporated and domiciled in Belgium, whose controlling shareholders are listed in note 20 of the 2018 consolidated financial statements. The address of the Company's registered office is: Rue du Mail 50, B-1050 Brussels (Belgium).

In existence since 1805, and across family generations, the Company 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 Company, its subsidiaries and its interests in associates and joint ventures (together the Group) form an international group, currently active in four 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. Its business model is evolving towards providing citizens with responsible and innovative mobility;
- Belron 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® AutoGlass and Autoglass®. In addition, it manages vehicle glass and other insurance claims on behalf of insurance customers. Belron has also expanded its services into the automotive damage and home damage repair and replacement markets;
- Moleskine is a premium 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;
- D'Ieteren Immo groups together the Belgian real estate interests of D'Ieteren Group. It owns and manages approximately 30 properties. It also pursues investment projects and carries out studies into possible site renovations.

The Company is listed on Euronext Brussels.

These condensed consolidated interim financial statements have been authorized for issue by the Board of Directors on 28 August 2019.

Restatement of comparative information

In the framework of continuous improvement of the financial reporting presentation, the consolidated statement of profit or loss for the 6-month period ended 30 June 2018 has been restated to reflect in the D'Ieteren Auto segment a reallocation of costs (EUR 1.3 million) from revenue to cost of sales/commercial and administrative expenses/other operating expenses, without net impact on the operating result. In addition, operating result decreased by EUR 1.3 million following the reclassification of an EUR 1.3 million charge from income tax expense to other operating expenses.

The consolidated statement of financial position as at 30 June 2018 and the condensed consolidated statement of cash flows for the 6-month period ended 30 June 2018 have also been restated in the D'Ieteren Auto segment to reflect a reclassification of EUR 8.9 million between current loans and borrowings and trade and other payables.

Brexit

The pending exit of the UK from the European Union (Brexit) could affect estimations or judgements made in the preparation of the financial statements, mostly for the entities with operations in the UK or Europe. Given the uncertainty about developments of the exit scenario (the prospect of a "no deal" Brexit on 31 October 2019 has become more likely), it is difficult to identify and implement specific changes. Risks and potential exposures to the Brexit are however assessed as reasonable due to the limited exposure of the Group to the UK economic environment and to the measures taken by local management to mitigate the risks.

Alternative Performance Measurement – Non-GAAP measurement

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

NOTE 2: BASIS OF PREPARATION AND ACCOUNTING POLICIES

Note 2.1: Basis of Preparation

These condensed consolidated interim financial statements are for the six months ended 30 June 2019. They are presented in euro, which is the Group's functional currency. All amounts have been rounded to the nearest million, unless otherwise indicated. They have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union ("EU"). They do not include all the information required for a complete set of IFRS financial statements. They have been prepared in a condensed format, with selected explanatory notes to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements. Therefore, they should be read in conjunction with the 2018 annual consolidated financial statements.

In preparing these condensed consolidated interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. This is the first set of the Group's financial statements where IFRS 16 has been applied. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2018 annual consolidated financial statements, except for new significant judgments related to the lessee accounting under IFRS 16, which are further described below. The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2019.

Note 2.2: Significant Accounting Policies

The accounting policies applied are consistent with those summarized in note 32 of the 2018 annual consolidated financial statements, except for the adoption of new standards and amendments to standards effective as of 1 January 2019.

The new standards and amendments to standards that are mandatory for the first time for the Group's accounting period beginning on 1 January 2019 are listed below:

- IFRIC 23 "Uncertainty over Income Tax Treatments" (effective 1 January 2019 – endorsed by the EU);
- Amendment to IAS 28 "Investments in Associates and Joint Ventures" (effective 1 January 2019 – endorsed by the EU);
- Amendment to IAS 19 "Employee Benefits" (effective 1 January 2019 – endorsed by the EU);
- Annual improvements to IFRSs 2015-2017 Cycle (effective 1 January 2019 – endorsed by the EU);
- IFRS 16 "Leases" (effective 1 January 2019 – endorsed by the EU).

Except for IFRS 16 "Leases", these new standards do not have a material impact on the Group's financial statements. The impact of the adoption of IFRS 16 is further described below.

The standards, amendments and interpretations to existing standards issued by the IASB but not yet effective in 2019 have not been early adopted by the Group. They are listed below.

- Amendments to References to Conceptual Framework in IFRS Standards (effective 1 January 2020 – subject to endorsement by the EU);
- Amendments to IFRS 3 "Business Combination" (effective 1 January 2020 – subject to endorsement by the EU);
- Amendments to IAS 1 and IAS 8: Definition of Material (effective 1 January 2020 – subject to endorsement by the EU);
- IFRS 17 "Insurance Contracts" (effective 1 January 2021 – subject to endorsement by the EU);

IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognized right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee, the Group recognizes right-of-use assets and lease liabilities for most leases, whereas previous accounting policies classified leases as operating leases or finance leases depending on whether the lease transferred substantially all of the risks and rewards of ownership. Right-of-use assets are presented in "property, plant and equipment" in the statement of financial position, under the same line item than the assets of the same nature that it owns. Lease liabilities are presented in "loans and borrowings" in the statement of financial position.

The Group has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1 January 2019. Accordingly, the comparative information for 2018 has not been restated and is presented, as previously reported, under IAS 17 and related interpretations. On transition to IFRS 16, the Group (including Belron despite its classification as an equity accounted investee) recognized EUR 714.0 million right-of-use assets (of which EUR 656.4 million in the Belron segment) and EUR 733.7 million lease liabilities (of which EUR 676.1 million in the Belron segment), with a corresponding impact (net of tax) of EUR -6.4 million on retained earnings, Group's share.

NOTE 2: BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019. The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which affects the amount of lease liabilities and right-of-use assets recognized.

Right-of-use assets are measured at either their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application (for large property leases in the Belron segment) or an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments (for all other leases).

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. IFRS 16 has been applied only to contracts that were previously identified as leases under IAS 17. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. In addition, the Group applied the practical expedient whereby short-term leases (less than or equal to 12 months) and leases of low value (usually less than EUR 5,000) are not reassessed and are accounted for on a linear basis.

For the leases previously classified as finance leases under IAS 17, the carrying amount of the right-of-use assets and the lease liability at 1 January 2019 were determined at the carrying amount of the lease asset and lease liability under IAS 17 immediately before that date.

In rare situations in which the Group acts as an intermediate lessor, the sub-leases are classified with reference to the right-of-use asset arising from the head lease, and not with reference to the underlying asset. Under IAS 17, the head lease and sub-lease contracts were classified as operating leases.

Information regarding the impact of IFRS 16 inside the Group's operating segments for the current period is further disclosed in note 4 "Segment information".

NOTE 3: SEASONALITY

D'Ieteren Auto

The automobile distribution activities experience a higher demand for new vehicles (sales of new vehicles represent about 80% of total external revenue of the segment) in the first half of the year. This phenomenon is further increased every two years by the impact of the Brussels' Car and Motorcycle Show (the last one took place in January 2018).

Belron

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

Moleskine

The Moleskine segment experiences some natural increases in business during the year. The sales are highly concentrated over the last quarter, as the Christmas period approaches.

NOTE 4: SEGMENT INFORMATION

The Group's reportable operating segments are D'Ieteren Auto, Belron, Moleskine and Other.

D'Ieteren Auto comprises the automobile distribution activities of the Group. Belron comprises Belron Group s.a. and its subsidiaries. Despite its classification as an equity-accounted investee as from the closing of the Transaction (see notes 1 and 16 of the 2018 annual consolidated financial statements), Belron remains a reportable operating segment, reflecting the Group's internal reporting structure. Moleskine includes Moleskine S.p.a. and its subsidiaries. The segment "Other" comprises the corporate and the real estate activities of the Group.

These operating segments are consistent with the Group's organisational and internal reporting structure.

The Group has initially adopted IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information has not been restated.

The Group presents the statement of profit or loss (6-month results ended 30 June 2019) and the statement of financial position (at 30 June 2019) of its operating segments on a pre-IFRS 16 basis, reflecting the Group's internal reporting structure and facilitating the comparison with the comparative period.

NOTE 4: SEGMENT INFORMATION (continued)

Note 4.1: Segment Statement of Profit or Loss - Operating Segments (6-month period ended 30 June)

EUR million	Notes	2019						
		D'Ieteren Auto	Belron	Mole-skine	Other	IFRS 16 Impacts	Elimi-nations	Group
External revenue	5	1,939.5	2,114.4	71.1	-	-	-2,114.4	2,010.6
Inter-segment revenue		-	-	-	-	-	-	-
Segment revenue		**1,939.5**	**2,114.4**	**71.1**	**-**	**-**	**-2,114.4**	**2,010.6**
Operating result (being segment result)		**80.0**	**192.1**	**2.7**	**-4.9**	**7.3**	**-199.2**	**78.0**
Net finance costs		-1.2	-33.9	-4.4	-9.3	-13.4	46.9	-15.3
Finance income		0.1	8.4	0.3	0.1	-	-8.4	0.5
Finance costs		-1.3	-42.3	-2.4	-11.7	-13.4	55.3	-15.8
Inter-segment financing interest		-	-	-2.3	2.3	-	-	-
Share of result of equity-accounted investees, net of income tax	10	3.4	-	-	-	-	53.3	56.7
Result before tax		**82.2**	**158.2**	**-1.7**	**-14.2**	**-6.1**	**-99.0**	**119.4**
Income tax expense	8	-24.5	-55.4	-0.9	12.2	1.6	53.8	-13.2
Result from continuing operations		**57.7**	**102.8**	**-2.6**	**-2.0**	**-4.5**	**-45.2**	**106.2**
Discontinued operations		-	-	-	-	-	-	-
RESULT FOR THE PERIOD		**57.7**	**102.8**	**-2.6**	**-2.0**	**-4.5**	**-45.2**	**106.2**

Attributable to:	D'Ieteren Auto	Belron	Mole-skine	Other	IFRS 16 impact	Group
Equity holders of the Company	**57.7**	**55.6**	**-2.5**	**-2.0**	**-2.5**	**106.3**
Non-controlling interests	-	-	-0.1	-	-	-0.1
RESULT FOR THE PERIOD	**57.7**	**55.6**	**-2.6**	**-2.0**	**-2.5**	**106.2**

EUR million	2018 (1)					
	D'Ieteren Auto	Belron	Mole-skine	Other	Elimi-nations	Group
External revenue	2,000.8	1,957.2	72.7	-	-1,957.2	2,073.5
Inter-segment revenue	-	-	-	-	-	-
Segment revenue	**2,000.8**	**1,957.2**	**72.7**	**-**	**-1,957.2**	**2,073.5**
Operating result (being segment result)	**83.7**	**106.9**	**5.2**	**-18.3**	**-106.9**	**70.6**
Net finance costs	-0.7	959.3	-4.9	2.4	-959.3	-3.2
Finance income	0.6	987.9	0.4	0.1	-987.9	1.1
Finance costs	-1.3	-28.6	-3.0	-	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	**88.9**	**1,066.2**	**0.3**	**-15.9**	**-1,044.0**	**95.5**
Income tax expense	-28.9	-23.0	6.6	7.8	23.0	-14.5
Result from continuing operations	**60.0**	**1,043.2**	**6.9**	**-8.1**	**-1,021.0**	**81.0**
Discontinued operations	-	-	-	-	1,002.1	1,002.1
RESULT FOR THE PERIOD	**60.0**	**1,043.2**	**6.9**	**-8.1**	**-18.9**	**1,083.1**

Attributable to:	D'Ieteren Auto	Belron	Mole-skine	Other	Group
Equity holders of the Company	**60.0**	**1,023.6**	**6.9**	**-8.1**	**1,082.4**
Non-controlling interests	-	0.7	-	-	0.7
RESULT FOR THE PERIOD	**60.0**	**1,024.3**	**6.9**	**-8.1**	**1,083.1**

(1) As restated to reflect reallocation of costs in the framework of continuous improvement of the financial reporting presentation – See note 1 for more information.
The Group has initially adopted IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information has not been restated and the cumulative effect of initially applying IFRS 16 is recognized in retained earnings at the date of initial application. See note 2 for more information.

NOTE 4: SEGMENT INFORMATION (continued)

In 2019, the column "IFRS 16 impacts" reconciles the segment statement of profit or loss (with the 6-month results of the Group's operating segments presented, as previously reported, under IAS 17) to the IFRS Group consolidated statement of profit or loss (under IFRS 16).

The breakdown of the IFRS 16 impacts across the four Group's operating segments as at 30 June 2019 is presented below.

EUR million	D'Ieteren Auto	Belron	Moleskine	Other	Total
Depreciation on right-of-use assets	-3.1	-73.0	-3.9	-0.2	-80.2
Reversal of operating lease rentals	3.1	80.1	4.1	0.2	87.5
Operating result	**-**	**7.1**	**0.2**	**-**	**7.3**
Interest expenses on lease liabilities	-0.1	-13.0	-0.3	-	-13.4
Result before tax	**-0.1**	**-5.9**	**-0.1**	**-**	**-6.1**
Tax expense	-	1.6	-	-	1.6
Result for the period	**-0.1**	**-4.3**	**-0.1**	**-**	**-4.5**

In 2019, the column "Elimination" reconciles the segment statement of profit or loss (with the 6-month result of Belron presented on all lines under global integration method) to the IFRS Group consolidated statement of profit or loss (with the net result of Belron presented in the line "share of result of equity-accounted investees, net of income tax" representing the share of the Group – 54.10%; see note 10 – in the net result of Belron over the first six months of the year).

In 2019, in the Other segment, the line "Operating result" includes, amongst other amounts, the gain on sale (EUR 6.5 million) on the disposal of a property and the line "Finance costs" mainly includes the loss (EUR -11.6 million) on the fair value of a financial contingent liability relating to the disposal in 2018 of the 40% stake of Belron to CD&R.

In 2018, the column "Elimination" reconciled 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 annual consolidated financial statements –, and in the line "share of result of equity-accounted investees, net of income tax" for the remaining of the period).

In 2018, the line "discontinued operations" included the consolidated gain associated with the loss of exclusive control on the sale of a 40% stake in Belron to CD&R. Refer to note 16 of the 2018 annual consolidated financial statements for more information.

NOTE 4: SEGMENT INFORMATION (continued)

Note 4.2: Segment Statement of Financial Position - Operating Segments

EUR million	Notes	30 June 2019						
		D'Ieteren Auto	Belron	Moleskine	Other	IFRS 16 Impacts	Elimi-nations	Group
Goodwill	9	24.0	530.3	172.2	-	-	-530.3	196.2
Intangible assets		24.7	449.1	412.6	0.2	-	-449.1	437.5
Property, plant & equipment		37.5	337.1	9.4	184.6	662.7	-949.4	281.9
Investment property		0.1	-	-	14.5	-	-	14.6
Equity-accounted investees	10	80.0	-	-	-	-	684.5	764.5
Financial investments		-	1.8	-	-	-	-1.8	-
Derivative financial instruments		-	0.3	-	-	-	-0.3	-
Employee benefits		-	103.6	-	-	-	-103.6	-
Deferred tax assets		8.8	43.1	12.5	21.1	4.1	-47.2	42.4
Other receivables		2.7	8.2	1.2	20.9	-	-8.2	24.8
Non-current assets		**177.8**	**1,473.5**	**607.9**	**241.3**	**666.8**	**-1,405.4**	**1,761.9**
Inventories		456.6	331.4	45.1	-	-	-331.4	501.7
Financial investments		-	-	-	201.6	-	-	201.6
Derivative financial instruments		-	0.9	-	-	-	-0.9	-
Current tax assets		2.2	12.6	7.1	-	-	-12.6	9.3
Trade and other receivables		435.0	423.7	35.8	4.3	2.3	-426.0	475.1
Cash & cash equivalents		1.9	244.7	7.5	694.1	-	-244.7	703.5
Assets classified as held for sale		-	-	-	-	-	-	-
Current assets		**895.7**	**1,013.3**	**95.5**	**900.0**	**2.3**	**-1,015.6**	**1,891.2**
TOTAL ASSETS		**1,073.5**	**2,486.8**	**703.4**	**1,141.3**	**669.1**	**-2,421.0**	**3,653.1**
Equity		**-**	**-**	**-**	**2,688.4**	**-**	**-**	**2,688.4**
Employee benefits		21.9	6.3	2.1	0.8	-	-6.3	24.8
Provisions		17.3	19.8	3.3	0.4	-	-19.8	21.0
Loans & borrowings		0.7	1,717.9	106.7	0.8	561.3	-2,242.0	145.4
Inter-segment loan		-	-	158.3	-158.3	-	-	-
Derivative financial instruments		-	20.5	-	-	-	-20.5	-
Put options granted to non-controlling interests		0.3	-	-	-	-	-	0.3
Other payables		-	1.2	-	-	-	-1.2	-
Deferred tax liabilities		1.6	68.0	110.7	20.5	-	-68.0	132.8
Non-current liabilities		**41.8**	**1,833.7**	**381.1**	**-135.8**	**561.3**	**-2,357.8**	**324.3**
Provisions		-	106.8	4.0	-	-	-106.8	4.0
Loans & borrowings		0.7	59.4	33.7	-	136.1	-180.8	49.1
Derivative financial instruments		-	0.6	0.6	-	-	-0.6	0.6
Other financial liabilities		-	-	-	31.8	-	-	31.8
Current tax liabilities		8.9	33.1	0.6	0.2	-	-33.1	9.7
Trade & other payables		498.1	573.5	34.3	13.9	-11.8	-562.8	545.2
Current liabilities		**507.7**	**773.4**	**73.2**	**45.9**	**124.3**	**-884.1**	**640.4**
TOTAL EQUITY AND LIABILITIES		**549.5**	**2,607.1**	**454.3**	**2,598.5**	**685.6**	**-3,241.9**	**3,653.1**

For the segment statement of financial position as per 31 December 2018, see note 2.3 of the 2018 annual consolidated financial statements.

NOTE 4: SEGMENT INFORMATION (continued)

Note 4.2: Segment Statement of Financial Position - Operating Segments

EUR million	**30 June 2018 (1)**					
	D'Ieteren Auto	**Belron**	**Moleskine**	**Other**	**Elimi-nations**	**Group**
Goodwill	16.4	563.7	171.9	-	-563.7	188.3
Intangible assets	14.7	468.7	411.6	0.1	-468.7	426.4
Property, plant & equipment	25.4	363.8	10.3	184.8	-363.8	220.5
Investment property	-	-	-	8.8	-	8.8
Equity-accounted investees	74.0	-	-	-	891.5	965.5
Financial investments	-	0.7	-	-	-0.7	-
Derivative financial instruments	-	16.1	-	-	-16.1	-
Employee benefits	-	80.4	-	-	-80.4	-
Deferred tax assets	6.2	20.6	9.6	-	-20.6	15.8
Other receivables	2.4	2.3	2.2	20.9	-2.3	25.5
Non-current assets	**139.1**	**1,516.3**	**605.6**	**214.6**	**-624.8**	**1,850.8**
Inventories	382.3	297.9	41.3	-	-297.9	423.6
Derivative financial instruments	-	4.8	-	-	-4.8	-
Current tax assets	1.5	1.6	12.7	-	-1.6	14.2
Trade and other receivables	432.6	399.7	32.5	1.5	-399.7	466.6
Cash & cash equivalents	15.4	108.2	13.9	781.2	-108.2	810.5
Assets classified as held for sale	-	-	-	0.9	-	0.9
Current assets	**831.8**	**812.2**	**100.4**	**783.6**	**-812.2**	**1,715.8**
TOTAL ASSETS	**970.9**	**2,328.5**	**706.0**	**998.2**	**-1,437.0**	**3,566.6**
Equity	**-**	**-**	**-**	**2,685.4**	**-**	**2,685.4**
Employee benefits	22.9	6.2	1.9	-	-6.2	24.8
Provisions	13.4	54.6	4.0	0.4	-54.6	17.8
Loans & borrowings	0.6	1,315.8	122.8	0.9	-1,315.8	124.3
Inter-segment loan	-	-	153.6	-153.6	-	-
Derivative financial instruments	-	0.6	-	-	-0.6	-
Put options granted to non-controlling interests	0.3	-	-	-	-	0.3
Other payables	-	5.3	1.6	-	-5.3	1.6
Deferred tax liabilities	1.8	10.1	110.6	19.1	-10.1	131.5
Non-current liabilities	**39.0**	**1,392.6**	**394.5**	**-133.2**	**-1,392.6**	**300.3**
Provisions	-	28.5	2.0	-	-28.5	2.0
Loans & borrowings	2.4	56.5	34.0	0.1	-56.5	36.5
Derivative financial instruments	-	2.0	0.1	-	-2.0	0.1
Current tax liabilities	10.8	12.9	0.2	-3.0	-12.9	8.0
Trade & other payables	487.1	591.3	39.9	7.3	-591.3	534.3
Current liabilities	**500.3**	**691.2**	**76.2**	**4.4**	**-691.2**	**580.9**
TOTAL EQUITY AND LIABILITIES	**539.3**	**2,083.8**	**470.7**	**2,556.6**	**-2,083.8**	**3,566.6**

(1) The Group has initially applied IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying IFRS 16 is recognized in retained earnings at the date of initial application. See note 2.
As restated (see note 1 for more information).

For segment statement of financial position as per 31 December 2018, see note 2.3 of the 2018 annual consolidated financial statements.

NOTE 4: SEGMENT INFORMATION (continued)

In 2019, the column "IFRS 16 impacts" reconciles the segment statement of financial position (with the assets and liabilities of the operating segments presented, as previously reported, under IAS 17) to the IFRS Group consolidated statement of financial position (under IFRS 16).

The EUR 662.7 million additional right-of-use assets (included in the line "Property, plant and equipment") and the EUR 697.4 million lease liabilities (included in the non-current and current "Loans and borrowings") presented in the segment statement of financial position as at 30 June 2019 following the adoption of IFRS 16 break down as follow:

- In the D'Ieteren Auto segment, EUR 12.9 million right-of-use assets and EUR 12.9 million lease liabilities;
- In the Belron segment, EUR 612.3 million right-of-use assets and EUR 645.5 million lease liabilities;
- In the Moleskine segment, EUR 32.8 million right-of-use assets and EUR 34.2 million lease liabilities;
- In the Other segment, EUR 4.7 million right-of-use assets and EUR 4.8 million lease liabilities.

In 2019, in the Other segment, the line "Financial Investments" of EUR 201.6 million comprises investments in a portfolio of marketable securities (corporate bonds in Europe) and the line "Current other financial liabilities" of EUR 31.8 million represents the current estimate of the financial contingent liability relating to the disposal in 2018 of the 40% stake of Belron to CD&R.

In 2019 and 2018, the column "Elimination" reconciles the segment statement of financial position (including the assets and liabilities of Belron) to the IFRS consolidated statement of financial position (with Belron presented as an equity-accounted investee – see note 10).

NOTE 5: REVENUE

Disaggregation of revenue issued from contracts with customers for the 6-month period ended 30 June 2018 and 30 June 2019 is presented in the table below:

EUR million	**2019**	**2018 (1)**
D'Ieteren Auto		
New vehicles	1,719.5	1,783.2
Used cars	32.7	36.3
Spare parts and accessories	110.5	106.5
After-sales activities by D'Ieteren Car Centers	47.5	42.1
D'Ieteren Sport	18.3	19.5
Other revenue	11.0	13.1
Subtotal D'Ieteren Auto	**1,939.5**	**2,000.8**
Moleskine		
Europe, Middle-East and Africa (EMEA)	32.3	36.1
America	29.2	26.7
Asia-Pacific (APAC)	9.6	9.9
Subtotal Moleskine	**71.1**	**72.7**
TOTAL REVENUE	**2,010.6**	**2,073.5**

(1) As restated to reflect reallocation of costs in the framework of continuous improvement of the financial reporting presentation – See note 1 for more information.

NOTE 6: EARNING PER SHARE

Earnings per share ("EPS") and earnings per share for continuing operations ("Continuing EPS") are shown above on the face of the consolidated statement of profit or loss. Basic and diluted EPS are based on the result for the period attributable to equity holders of the Company (based on the result from continuing operations attributable to equity holders of the Company for the continuing EPS), after adjustment for participating shares (each participating share confers one voting right and gives right to a dividend equal to one eighth of the dividend of an ordinary share). In the prior period, continuing EPS is significantly lower than EPS as a result of the classification in discontinued operation of the consolidated gain on disposal of a 40% stake in Belron to CD&R (see note 16 of the 2018 annual consolidated financial statements for more information).

The Group has granted options to employees over ordinary shares of the Company. Such shares constitute the only category of potentially dilutive ordinary shares.

The weighted average number of ordinary shares outstanding during the period is 54,100,372 (54,174,040 in the prior period) and the weighted average number of ordinary shares taken into account for diluted EPS is 54,255,510 (54,285,676 in the prior period).

The options over ordinary shares of the Company increased the weighted average number of shares of the Company taken into account for diluted earnings per share in the first half of 2018 and 2019 as some option exercise prices were below the average market share price.

NOTE 7: SHARE-BASED PAYMENTS

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

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

	Number (in units)	
	30 June 2019	**30 June 2018**
Outstanding options at the beginning of the period	1,127,390	1,058,889
Granted during the period	185,000	187,000
Exercised during the period	-77,981	-84,394
Other movements during the period	59,178	-
Outstanding options at the end of the period	**1,293,587**	**1,161,495**
of which: exercisable at the end of the period	*402,084*	*334,143*

All outstanding options are covered by treasury shares (see note 11).

During the period, one new plan totalling 185,000 options was granted at the exercise price of EUR 33.19 and with an exercise period starting 1 January 2023 and ending in February 2029.

NOTE 8: INCOME TAX EXPENSE

The Group's consolidated effective tax rate for the six months ended 30 June 2019 is 11% (six months ended 30 June 2018: 15%). The decrease in effective tax rate is primarily the result of the movement in deferred taxes (notably the recognition of previously unrecognized tax losses in the Other segment - see note 4 Segment information), partially offset by the increase in current year income tax (increase during the period of charges for which no tax reliefs are available).

NOTE 9: GOODWILL AND NON-CURRENT ASSETS

IAS 36 "Impairment of Assets" requires an impairment test to be performed annually and at each reporting date when there is an indication of a possible impairment (a triggering event). The Board of Directors of the Company did not identify any indication of possible impairment on its investments in Belron (equity-accounted investee) nor on the assets of D'Ieteren Auto and Moleskine for the period ended 30 June 2019.

The EUR 5.5 million increase in goodwill during the period primarily reflects the additions arising from business combinations that occurred in the D'Ieteren Auto segment – see note 13.

NOTE 10: EQUITY-ACCOUNTED INVESTEES

In 2019, two entities are accounted for using the equity method (three entities in 2018).

EUR million	**30 June 2019**			**31 December 2018**		
	D'Ieteren Auto	**Belron**	**Group**	**D'Ieteren Auto**	**Belron**	**Group**
Interests in joint ventures	80.0	684.5	764.5	76.6	644.8	721.4
Total of equity-accounted investees	**80.0**	**684.5**	**764.5**	**76.6**	**644.8**	**721.4**

EUR million	**30 June 2019**			**30 June 2018**		
	D'Ieteren Auto	**Belron**	**Group**	**D'Ieteren Auto**	**Belron**	**Group**
Share of profit in joint ventures	3.4	53.3	56.7	5.9	22.2	28.1
Total of share of result after tax of equity-accounted investees	**3.4**	**53.3**	**56.7**	**5.9**	**22.2**	**28.1**

NOTE 10: EQUITY-ACCOUNTED INVESTEES (continued)

Belron

In 2019, the largest equity-accounted investee is Belron Group s.a. (“BGSA” being the joint venture holding the Belron activities), owned 54.10% by the Group and 39.45% by Clayton, Dubilier and Rice (CD&R), both sharing joint control over the company. The remaining 6.45% is held by the family holding company of Belron’s CEO and by the Belron’s management. Belron is accounted for using the equity method as from the closing of the Transaction (see note 1 of the 2018 annual consolidated financial statements).

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 non-voting equity instruments in BGSA for a total amount of EUR 22 million (representing the fair value of various classes of equity instruments, being all treated as equity under IFRS). Part of the issued equity 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. Note that the MRP does not impact the Group’s percentage voting rights (54.85%).

The following table summarises the financial information of BGSA as included in its own financial statements (on a post-IFRS 16 basis), adjusted for consolidated adjustments and differences in accounting policies, and also reconciles this summarised financial information to the carrying amount of the Group’s interest in BGSA.

EUR million	30 June 2019	31 December 2018
Non-current assets (including goodwill arising from the Transaction)	3,491.5	2,871.6
Current assets (excluding cash and cash equivalents)	771.0	649.2
Cash and cash equivalents	244.7	124.2
Non-current liabilities (excluding financial liabilities)	-115.8	-87.6
Non-current financial liabilities	-2,242.0	-1,709.8
Current liabilities (excluding financial liabilities)	-703.3	-608.4
Current financial liabilities	-180.8	-47.6
Net assets (100%)	1,265.3	1,191.6
Group's share of net assets (54.10%) and carrying amount of interest in joint venture	**684.5**	**644.8**

The non-current assets include the positive difference between the fair value of the equity based on the transaction price and the book value of the net assets at the date of the transaction. This goodwill is included in the carrying amount of the equity-accounted investee and is not shown separately.

At half-year, Belron identified indicators of impairment in Italy (lower expectations) and in the Netherlands. In accordance with IAS 36, an impairment review has been performed on these two cash-generating units, based on the value in use calculation, to ensure that the carrying value of the assets are stated at no more than their recoverable amount, being the higher of fair value less costs to sell and value in use. This review led to a total impairment charge of EUR 21.3 million, of which EUR 21.0 million in relation with Italy (allocated to the goodwill, brands and other intangible assets) and EUR 0.3 million in relation with the Netherlands (fully allocated to other intangible assets). This impairment charge in the Belron segment however has no impact on the Group operating result since Belron is an equity-accounted investee. Belron did not identify any indicators of impairment for any other countries reflecting the strong trading performance.

At half-year, based on IAS28, the Board of Directors of the Company did not identify any indication of possible impairment (a triggering event) on its investment in Belron (equity-accounted investee) and therefore did not perform an impairment test.

A new shareholders’ agreement was signed in May 2018 between the Group and the family holding company of the Belron’s CEO, including put options (with related call options) related to the interest held by the family holding company of the Belron’s CEO. Based on IFRS requirements, the (financial) obligation to buy the equity instruments in an equity-accounted investee does not give rise to a financial liability in the consolidated statement of financial position (because equity-accounted investees are not part of the Group). This contract is a derivative that is in the scope of IFRS 9 “Financial Instruments”, measured at fair value through profit or loss and categorised within the fair value hierarchy as level 3. The fair value of this derivative amounts approximatively to nil as at 30 June 2019; the value of the Belron’s share based on the put formula being equal to the recent fair market value of Belron (recent MRP valuation).

In the consolidated statement of comprehensive income, the lines “Equity-accounted investees – share of OCI (net of tax)” mainly relate to the re-measurements of defined benefit assets/liabilities (primarily due to the UK pension scheme recording an actuarial gain with return on scheme assets less than offset by an actuarial loss due to a decrease in the discount rate), to the cash flow hedges (interest rate swaps and cross currency interest rate swaps used to partially hedge the debt) and translation differences of Belron.

NOTE 10: EQUITY-ACCOUNTED INVESTEES (continued)

The table below presents the revenue, profit before tax, the net result, and the other comprehensive income for the 6-month period ended 30 June 2019 (on a post-IFRS 16 basis) and for the period going from 7 February 2018 until 30 June 2018, periods over which the result of BGSA is accounted for under equity-accounting method. In 2019, the Group's share in net result is computed based on a weighted average percentage of 54.10% (54.71% in 2018). The result for the period going from 1 January until 7 February 2018 is accounted for under global integration method (94.85% stake), under discontinued operations (see note 16 of the 2018 annual consolidated financial statements for more information).

EUR million	30 June 2019	30 June 2018
Revenue	2,114.4	1,645.6
Profit before tax	152.3	62.3
Result for the period (100%)	98.5	41.1
Other comprehensive income (100%)	-13.5	13.5
Profit (or loss) and total comprehensive income (100%)	85.0	54.6
Group's share of profit (or loss) and comprehensive income	**46.0**	**29.5**

D'Ieteren Auto

In 2019 and 2018, the second largest equity-accounted investee is the joint venture Volkswagen D'Ieteren Finance (VDFin), owned 50% minus one share by the Group and 50% plus one share by Volkswagen Financial Services (a subsidiary of the Volkswagen group), active in a full range of financial services related to the sale of the Volkswagen group vehicles on the Belgian market.

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

EUR million	30 June 2019	31 December 2018
Non-current assets	1,476.9	1,353.6
Current assets (excluding cash and cash equivalents)	890.4	759.9
Cash and cash equivalents	86.7	170.6
Non-current liabilities (excluding financial liabilities)	-9.1	-9.3
Non-current financial liabilities	-1,024.0	-1,005.0
Current liabilities (excluding financial liabilities)	-172.9	-121.5
Current financial liabilities	-1,087.9	-995.0
Net assets (100%)	160.1	153.3
Group's share of net assets (49,99%) and carrying amount of interest in joint venture	**80.0**	**76.6**

EUR million	30 June 2019	30 June 2018
Revenue	309.3	251.5
Profit before tax	10.2	17.7
Result for the period (100%)	6.9	11.8
Other comprehensive income (100%)	-	-2.2
Profit (or loss) and total comprehensive income (100%)	6.9	9.6
Group's share of profit (or loss) and comprehensive income (49,99%)	**3.4**	**4.8**

In the prior period, the line "Profit before tax" included the additional revenue recognised following a change in accounting estimates.

NOTE 11: CAPITAL AND RESERVES

The Ordinary General Meeting of 6 June 2019 decided to distribute a gross ordinary dividend of EUR 1.00 per share for the year 2018. Payment of the dividend started on 6 June 2019. The aggregate dividend amounts to EUR 54.8 million.

Treasury shares (1,319,279 at the end of the period; 1,164,933 at 31 December 2018) are held to cover the stock option plans set up by the Company since 1999 (see note 7 of these condensed consolidated interim financial statements and of the 2018 annual consolidated financial statements).

NOTE 12: FINANCIAL INSTRUMENTS

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

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

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

At the end of June 2019 and of June 2018, all Group's financial assets and liabilities measured at fair value in the consolidated statement of financial position are classified in level 2, except the money-market assets (EUR 54.5 million included in the line "cash and cash-equivalents" in the consolidated statement of financial position) classified in level 1 and the financial contingent liability relating to the disposal of the 40% stake of Belron classified in level 3 (EUR 31.8 million classified as current other financial liabilities in the Other segment).

Fair value disclosed

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

Valuation techniques

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

The fair values of derivative financial instruments are determined using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions at the balance sheet date.

The fair value of cross currency interest rate swaps and interest rate swaps is calculated as the present value of future estimated cash flows. The fair value of interest rate caps and collars is valued using option valuation techniques. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance sheet date. The fair value of fuel hedge instruments (combination of options, collars and swaps used in the Belron segment to hedge the price of fuel purchases) is determined using market valuations prepared by the respective banks that executed the initial transactions at the statement of financial position date based on the present value of the monthly futures forward curve for gasoline given the volume hedged and the contract period. The fair values of forward rate agreements are calculated as the present value of future estimated cash flows.

NOTE 13: BUSINESS COMBINATION

During the period, the D'Ieteren Auto segment finalized the acquisition of a dealership in the Antwerp region, and two start-up companies active in smart mobility services. These acquisitions led to the recognition of a goodwill for EUR 5.2 million and the total consideration transferred amounts to EUR 6.2 million.

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

The additional revenue and result arising subsequent to these acquisitions are not considered material to the Group and accordingly are not disclosed separately.

NOTE 14: SUBSEQUENT EVENTS

On 20 August 2019, Safelite® Group (Belron's subsidiary in the United States) announced that it has reached an agreement to acquire the assets of TruRoad Holdings, Inc. (TruRoad) a vehicle glass repair and replacement (VGRR), ADAS (Advanced Driver Assistance Systems) recalibration and claims-management player. TruRoad serves customers across 17 US states, including consumers, commercial clients (fleets) and insurance carriers. Its annualized revenues amount to about USD 116 million.

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

Auditor’s Report

Statutory auditor’s report to the Board of Directors of D’Ieteren SA on the review of the condensed consolidated interim financial information as at 30 June 2019 and for the 6-month period then ended.

Introduction
We have reviewed the accompanying consolidated statement of financial position of D’Ieteren SA as at 30 June 2019, the consolidated statements of profit or loss, of other comprehensive income, of changes in equity and the condensed consolidated statement of cash flows for the 6-month period then ended, and notes to the interim financial information (“the condensed consolidated interim financial information”). The board of directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, “Interim Financial Reporting” as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

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

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 June 2019 and for the 6-month period then ended is not prepared, in all material respects, in accordance with IAS 34, “Interim Financial Reporting” as adopted by the European Union.

Zaventem, 28 August 2019

KPMG Réviseurs d’Entreprises
Statutory Auditor
Represented by

Alexis Palm
Partner