



D'IETEREN AT A GLANCE

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

D'IETEREN AUTO

distributes Volkswagen, Audi, SEAT, Škoda, Bentley, Lamborghini, Bugatti, Porsche and Yamaha vehicles in Belgium. It is the country's number one car distributor, with a market share of around 22% and 1.2 million vehicles on the road at the end of 2016.

2016 sales: EUR 3.1 billion

2016 operating result: EUR 77.5 million

BELRON

(94.85% owned) is the worldwide leader in vehicle glass repair and replacement with more than ten major brands – including Carglass®, Safelite® AutoGlass and Autoglass®. In addition, it manages vehicle glass and other insurance claims on behalf of insurance customers. Belron looks after around 15 million consumers each year in 33 countries on five continents.

2016 sales: EUR 3.3 billion

2016 operating result: EUR 41.6 million

MOLESKINE

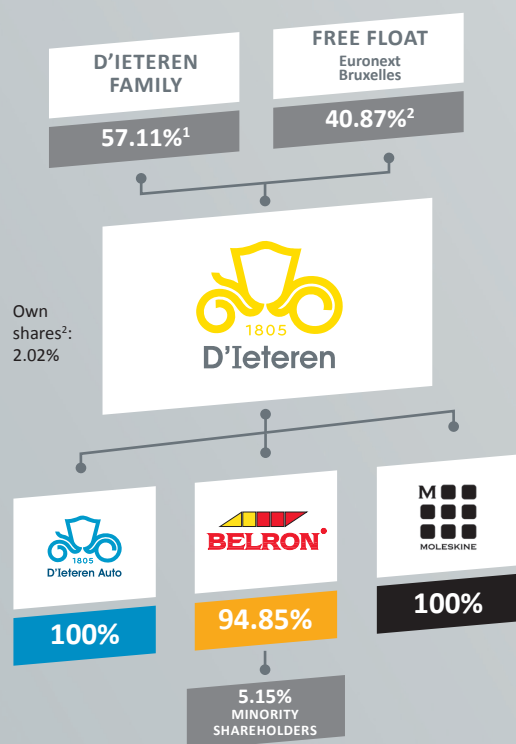
(100% owned) is a premium and aspirational lifestyle brand which develops and sells iconic branded notebooks and writing, travel and reading accessories through a multichannel distribution strategy across 102 countries.

2016 sales: EUR 145.2 million

2016 operating result: EUR 34.0 million

A family-controlled, listed company...

...with an international presence



¹ In voting rights: 60.66%

² At 30 December 2016

> MESSAGE FROM THE CHAIRMAN

Dear shareholders,

This is the last time I will have the honour of addressing you on the pages of a D'Ieteren Group annual report.

Having reached the age limit in January 2017, after 50 years with the company – 30 as Managing Director and 42 as Chairman of the Board – I informed the Board of my decision to retire as Chairman and CEO of our company with effect from 1 June 2017, at what will be my last AGM at the helm of this group. I took this decision with a sense of calm and absolute confidence based on the many years that my family has been preparing the next stage of our commitment to this company. The seventh generation is now ready and willing to carry the torch.

The Board of Directors has chosen my son Nicolas D'Ieteren to succeed me as Chairman. It goes without saying that this fills me with pride and happiness. Armed with valuable professional experience from his time abroad, where he was active in the automobile sector, in vehicle rentals and in energy, he will actively reaffirm our family's commitment to the D'Ieteren group. Over the last few years, his dynamism has enabled him to surround himself with a capable team and he is fully capable of steering our wonderful company towards a sustainable and prosperous future with vision and determination.

My nephew and our Deputy Chairman, Olivier Périer, will chair the Strategic Committee, the body that regularly assembles the representatives of the shareholding family with the Managing Director and the other members of the Executive Committee.

The presence on the Board of two members of the seventh generation underlines the commitment of the families to their continuing partnership with our Company. They joined the Board in 2005 and both had risen to the Deputy Chairman position by 2014. I have total confidence that the ambitious D'Ieteren SA project is not only safe in their hands but that they will carry it forward with determination and pass it on to future generations.

It was my father, Pierre D'Ieteren, who had a vision that everybody should be able to own a car and who laid the first foundation stone for our partnership with the Volkswagen group, a partnership that enabled us to consolidate our industrial base. It is his vision that gave me the opportunity, with the support of so many extraordinary colleagues, to build our leadership position on the Belgian automotive market as a representative of the Volkswagen group's brands, and to initiate the diversification and internationalisation of our business with the acquisition of Avis Europe and then Belron. More recently, Moleskine has given us fresh momentum in the redeployment of our activities abroad and represents a new chapter in our growth.

From one generation to the next, D'Ieteren has always demonstrated its enterprising spirit, its willingness to take risks, to adapt itself and to acquire new skills as it explores new horizons. The Group's development over all these years demonstrates that the entrepreneurial genes that run in my family are more present than ever in the D'Ieteren group today. Our aim is to identify high-potential projects capable of transforming the lives of our customers, to liberate the energy inside all of us, enabling us to fulfil our potential, and to encourage a spirit of teamwork while recognising and rewarding individual achievement.

I know that the seventh generation, like those that preceded it, are committed to supporting and encouraging the group to take on and overcome new challenges, while also creating the conditions in which our teams can achieve personal fulfilment. Today, it is with a sense of real conviction and enthusiasm that I look ahead to this transition, which will mark a new departure for our beautiful, 200-year-old company.

Roland D'Ieteren
Chairman of the Board



> MESSAGE FROM CHIEF EXECUTIVE OFFICER

In many different ways, 2016 was a year of significant change for the D'Ieteren Group.

As the year drew to a close, **our Chairman of the Board**, Roland D'Ieteren, announced his intention to stand down after 50 years at the service of the company. His mandate as Director and Chairman will expire at the Group's AGM on 1 June 2017. His departure will mark the passing of the baton from the 6th generation of the D'Ieteren family to the 7th. For a Group that has been majority-owned by the family for 212 years, this is a landmark moment. On behalf of our teams and the Board of Directors, I would like to thank Roland D'Ieteren for the role he has played over all these years and for the hugely positive impact he has had on the Group and all of our teams.

With the nomination of Nicolas D'Ieteren as Chairman, a new chapter in the family adventure begins. Together with his cousin, Olivier Périer, they confirm the continued commitment of the family shareholders to growing the group and maintaining the conditions that enable all of our activities to meet their objectives by supporting the energy and motivation of our employees. With the Board and the Executive Committee, we look forward to working with them, enthusiastically, to fulfil this mission.

While working towards these goals, I am happy to have the opportunity to work with such a high-quality team. In 2016, we welcomed a new member to the **Executive Committee**. Francis Deprez joined myself and Arnaud Laviolette. He is now already channelling his energy into supporting our activities. We are delighted to have him on board and his integration, both at the team level and in terms of our activities, is proceeding in a professional and natural manner.

For many years now, and from the beginning of our activity as an importer and distributor of Volkswagen group vehicles in Belgium, **D'Ieteren** has developed as a group that knows how to identify promising activities that are managed by high-quality management teams and reinforced by the existence of clearly-defined purposes that aim to meet the demands of customers and the positive aspirations of its employees. This sharp focus enables our employees to see their targets clearly, to concentrate their efforts efficiently and to adapt to changing and sometimes uncertain environments. In 2017 we will continue to fine-tune our purpose and that of each of our activities. We will also continue to identify other activities capable of being integrated into the Group.

It is with this vision in mind that **Belron** took a number of important strategic decisions last year. Having completed a review of its core purpose and values, the company clarified its mission as follows: "To make a difference by solving people's problems with real care." This energy has made Belron the world leader in vehicle glass repair and replacement, by consolidating once-fragmented markets over the long term, by paying close attention to meeting its customers' needs, by forging strong links with its insurance partners and by developing strong brands that transmit these values clearly. Belron now aims to pursue the development of its vehicle glass activities and to expand its presence into new areas where it can express its purpose fully. From an initial shortlist of more than 300 potential services, three were retained as being the most closely aligned with Belron's mission and values: vehicle repair, services to property owners and insurance claims handling. Today, Belron is already serving more than three million customers in activities other than vehicle glass repair and replacement. At the end of 2016, as part of its strategy to expand the range of services, Belron announced the acquisition of two vehicle repair specialists: CARE Carrosserie in Belgium and Speedy Collision in





Canada. It has also significantly expanded its insurance claims handling beyond glass breakage in the US. The company is also introducing smart repair services in the Netherlands and Italy, and continues to widen its mobile vehicle repair offer in the UK.

D'leteren Auto is also looking to the future with an eye fixed firmly on the evolving fundamental needs of its customers and partners. The strategic plan currently underway has three core objectives, all of which are making satisfactory progress: the internal overhaul of the company's organisational structure to make it more customer-focused (*Powered by You*), the optimisation of the independent dealer network (*Market Area*) and the improvement of the performance of D'leteren Auto's own dealerships in the Brussels region (*Pole Position*). The company has announced plans to create a national franchise of bodywork centres that are open to all members of its distribution network. It also aims to reflect on its customers' future mobility needs and how it might exploit its leadership position to play a role on the Belgian market. A dedicated internal structure, *D'leteren Mobility*, has been created to address these

challenges. A first initiative was implemented in early-2017 with the sealing of a partnership with Drivy, Europe's leading platform for car hire between private individuals.

In the fourth quarter of 2016, D'leteren **acquired** a 41% stake in the capital of **Moleskine**, a listed Italian company based in Milan. Moleskine is a globally-renowned aspirational lifestyle brand. Its mission is to contribute to the sharing and dissemination of knowledge and human cultures. The company has created an ecosystem aimed at those who want to express their creativity and individuality. In particular, it designs and sells its legendary notebooks, in addition to a range of accessories designed for writing, travel and reading, backed up by a multichannel distribution strategy. It is present in more than 100 countries worldwide and employs 400 people. You can find out more about Moleskine elsewhere in this report. Since the end of January and the withdrawal of the minority shareholders, we now hold 100% of the Moleskine stock. I am very happy to welcome this business into the D'leteren Group and look forward, along with all of my colleagues, to helping it grow. Our strategy will aim to develop distribution channels,

expand the product range and increase the number of regions where Moleskine is present. Attention will also be paid to digital products and innovation, as demonstrated by new initiatives such as the *Smart Writing Set* and the *Moleskine Café*.

Finally, 2016 was a year marked by excellent **results**. Thanks to the extraordinary efforts of teams throughout the Group, and despite a persistently unpredictable environment, our consolidated sales increased by 7.2% to EUR 6.5 billion, while our key performance indicator, *adjusted* consolidated result before tax, group's share, increased by 13.9% compared to 2015 to reach EUR 241.6 million. On a like-for-like basis (i.e. excluding the Moleskine acquisition), the increase was 12.1% to EUR 237.7 million, despite starting the year with cautious guidance for stability or even a slight drop in current consolidated result.

Belron enjoyed an eventful year. It continued to grow in the US, thanks to the expansion of its marketing activities and a tighter collaboration with insurance partners. In Europe, organic sales growth reached 3.1%, thanks primarily to the continued recovery of the UK business and market share gains in Germany. Total sales

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rose by around 5%, as did the *adjusted* operating result. Belron's *adjusted* result before tax, group's share, increased by 8%. In 2016, Belron served 15.2 million customers across all of its activities, a rise of 8% compared to 2015. The customer satisfaction rate, measured by the NPS (Net Promoter Scores) was 82% across the group, with a record performance in the US and significant improvements in countries like the UK.

At **D'Ieteren Auto**, in a very buoyant market (+10.4% year-on-year), D'Ieteren Auto's market share was 21.81%, an impressive performance only a year after the Emissiongate scandal. I would like to salute here the remarkable work of all D'Ieteren Auto's staff, who rose to this major challenge without fail and without losing sight of our customers' needs, all the while maintaining transparent lines of communication. The major recall campaign should be completed this year, and all the upgrades carried out so far have met with the full satisfaction of our customers, thereby proving the quality of service offered by our teams and the attention they bring to our customers. Total sales increased by more than 8% (sales of new vehicles alone rose by 8.7%) and the *adjusted* operating result by 14%,

thanks to an increase in the volume of new vehicle deliveries (+6.5%) and a favourable mix effect. Volkswagen remains the leader of the Belgian market, with a 10.15% share, and all our brands hold strong market positions thanks to the success of their products.

Moleskine enjoyed another year of growth, with sales up 13.3% across all distribution channels: Wholesale (+5.5%), B2B (+11.8%), Retail (+52.5%) and e-commerce (+37.9%). But sales also grew in all regions (EMEA, Americas, APAC) and all product lines (Paper, Non-Paper and Moleskine+, with a special mention for the success of the Smart Writing Set). Moleskine has pursued innovation and the development of its product offer. As part of the ongoing revision of its strategic plan since joining the Group, Moleskine will pursue its investment strategy, with the priority on strengthening distribution channels that put it in direct contact with its customers, particularly in retail and e-commerce.

Based on these results and the Group's healthy liquidity, the Board will propose to the AGM the payment of a gross dividend per share of EUR 0.95, up from EUR 0.90 in 2015.

D'Ieteren and each of its activities work together every day to meet the expectations of their customers and to deliver tangible results. I wish to offer my deepest thanks to each and every one of our team members and their implication in our projects. They are absolutely fundamental to everything that we achieve. I am also thankful for the confidence and support we receive from our customers, our shareholders and our partners.

Axel Miller
Chief Executive Officer
Chairman of the Executive Committee
D'Ieteren SA

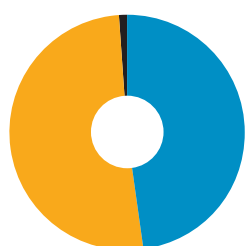
KEY FIGURES

BY ACTIVITY

EXTERNAL REVENUE

6,471.7

EUR million in 2016

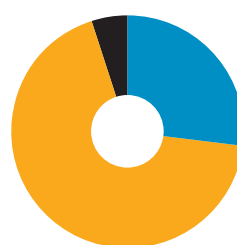


(EUR million)	2015	2016	Change
D'Ieteren Auto	2,874.2	3,114.2	+8.4%
Belron	3,161.2	3,305.4	+4.6%
Moleskine	-	52.1 ²	-
Total	6,035.4	6,471.7	+7.2%

ADJUSTED OPERATING RESULT¹

281.1

EUR million in 2016



(EUR million)	2015	2016	Change
D'Ieteren Auto	66.5	75.8	+14.0%
Belron	182.0	190.7	+4.8%
Moleskine	-	14.6 ²	-
Total	248.5	281.1	+13.1%

¹ Before adjustments (APM - see glossary on page 48).

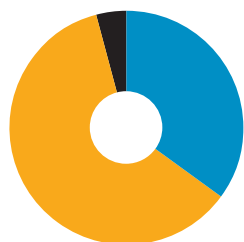
² Consolidated as from 1 October 2016

³ Full year

**ADJUSTED RESULT BEFORE TAX¹,
GROUP'S SHARE**

241.6

EUR million in 2016



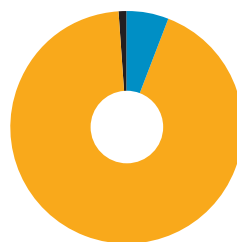
35%
61%
4%

(EUR million)	2015	2016	Change
D'Ieteren Auto	74.5	84.2	+13.0%
Belron	137.6	148.4	+7.8%
Moleskine	-	9.0 ²	-
Total	212.1	241.6	+13.9%

AVERAGE WORKFORCE

28,348

average full time equivalents in 2016



6%
93%
1%

(average full time equivalents)	2015	2016	Change
D'Ieteren Auto	1,580	1,610	+1.9%
Belron	26,390	26,340	-0.2%
Moleskine	-	398 ³	-
Total	27,970	28,348	+1.4%



2016 KEY EVENTS

MARCH

CREATION OF THE FIRST MARKET AREA

As part of its strategy to strengthen the independent dealer network, D'Ieteren Auto established its first Market Area in Nivelles-Waterloo. By end-2016, no less than 21 Market Area agreements had been signed, out of a total of 26, thereby enabling the Market Area Leaders to begin reorganising the networks in their region.

JANUARY

94th MOTOR SHOW



The 2016 edition of Belgium's top Motor Show was a great success for D'Ieteren Auto, with an increase of more than 20% in orders compared to the 2014 and 2015 events. Running from 14th to 24th January, the Show attracted more than 555,000 visitors in 2016, slightly down on the 2014 number.

MAY

BEST OF BELRON

The biennial event took place on 18th and 19th May at the Meo Arena in Lisbon, Portugal. This exciting competition is an opportunity for Belron technicians from all over the world to demonstrate the care and attention they dedicate to repairing and replacing vehicle glass for customers. Gary Riebesehl from the US won the 2016 contest.



SEPTEMBER

ARRIVAL OF FRANCIS DEPREZ



On 1st September, Francis Deprez joined D'Ieteren's CEO and CFO to form the Group's Executive Committee. He will be responsible for bringing value-added services to the group's existing activities in order to stimulate growth and increase efficiency. He will also strengthen the group's ability to expand in new activities.



SEPTEMBER

D'IETEREN ACQUIRES MOLESKINE

On 22nd September, D'Ieteren announced the signing of an agreement to acquire a 41% stake in Moleskine, an Italian company based in Milan. On 13th December, after launching a public bid to purchase the remaining shares, D'Ieteren announced that the required 95% share threshold had been reached. Following a squeeze out, Moleskine was then delisted from the Milan stock exchange on 24th January 2017. For more information about Moleskine, see pages 30 to 37.



SEPTEMBER

SPIRIT OF BELRON CHALLENGE

On 24th September, more than 2,000 people took part in the Spirit of Belron Challenge to celebrate Belron's company culture. Belron now has a Guinness World Records™ title for the largest human image of a country or continent and more than EUR 1 million has been raised for Afrika Tikkun, the group's corporate charity.



DECEMBER

ACQUISITION OF CARE



In line with its strategy to extend the services it offers, Belron completed the acquisition of one automotive damage repair business and entered into a binding contract for the acquisition of another one: on 23rd December Belron Canada completed the acquisition of Speedy Collision in Canada. Speedy Collision has a network of 24 franchise service centres strategically located across Alberta, Saskatchewan and Ontario. On 15th December Carglass Belgium entered into an agreement to acquire CARE Carrosserie in Belgium. CARE Carrosserie has 16 branches across Belgium and shares the same philosophy and passion for customer service as Carglass.

DECEMBER

ANNOUNCEMENT OF A BODYWORK FRANCHISE

D'Ieteren Auto announces the creation of a national network of multi-brand bodywork repair franchises. Through the segmentation of the tasks and the use of adapted techniques (including notably smart repair techniques for the repair of minor damage), the network will be able to cut costs and repair times.

DECEMBER

ROLAND D'IETEREN TO STAND DOWN AS CHAIRMAN OF THE BOARD

On 19th December 2016, after more than 210 years of majority control, the passing of the torch from the 6th to the 7th generation of D'Ieteren's family was announced: Roland D'Ieteren will stand down as Chairman at the Annual General Meeting on 1st June 2017. His son Nicolas will take over as Chairman of the Board, while his cousin Olivier Périer will chair the Strategic Committee.