s.a. D'Ieteren n.v.

Consolidated Financial Statements 2014

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For the statement of the statutory auditor, KPMG Réviseurs d'entreprises, represented by Alexis Palm, we refer to the press release.

Financial report, excluding the Directors' Report, as authorized for issue by the Board of Directors on 26 February 2015, for presentation to the Annual General Meeting of 28 May 2015.

Consolidated Statement of Profit or Loss

Year ended 31 December

EUR million	Notes	2014			2013 [2]		
		Total	*Of which*		**Total**	*Of which*	
			Current items [1]	*Unusual items and re-measurements [1]*		*Current items [1]*	*Unusual items and re-measurements [1]*
Revenue	4	**5,541.6**	*5,541.6*	-	**5,470.5**	*5,470.5*	-
Cost of sales		-3,827.6	*-3,814.9*	*-12.7*	-3,755.3	*-3,755.5*	*0.2*
Gross margin		**1,714.0**	*1,726.7*	*-12.7*	**1,715.2**	*1,715.0*	*0.2*
Commercial and administrative expenses		-1,534.9	*-1,520.6*	*-14.3*	-1,504.0	*-1,490.7*	*-13.3*
Other operating income		3.9	*3.9*	-	1.6	*1.6*	-
Other operating expenses		-157.0	*-11.4*	*-145.6*	-12.9	*-5.7*	*-7.2*
Operating result	5	**26.0**	*198.6*	*-172.6*	**199.9**	*220.2*	*-20.3*
Net finance costs	6	-32.2	*-42.1*	*9.9*	-47.6	*-43.1*	*-4.5*
Finance income		18.6	*6.0*	*12.6*	3.8	*2.7*	*1.1*
Finance costs		-50.8	*-48.1*	*-2.7*	-51.4	*-45.8*	*-5.6*
Share of result of entities accounted for using the equity method, net of income tax	7	0.9	*4.4*	*-3.5*	0.5	*5.2*	*-4.7*
Result before tax	9	**-5.3**	*160.9*	*-166.2*	**152.8**	*182.3*	*-29.5*
Income tax expense	8	-9.3	*-31.3*	*22.0*	-34.8	*-41.4*	*6.6*
Result from continuing operations		**-14.6**	*129.6*	*-144.2*	**118.0**	*140.9*	*-22.9*
RESULT FOR THE PERIOD		**-14.6**	*129.6*	*-144.2*	**118.0**	*140.9*	*-22.9*
Result attributable to:							
Equity holders of the Parent	9	**-11.1**	*125.7*	*-136.8*	**114.0**	*136.1*	*-22.1*
Non-controlling interests		-3.5	*3.9*	*-7.4*	4.0	*4.8*	*-0.8*
Earnings per share for result for the period attributable to equity holders of the Parent							
Basic (EUR)	10	-0.20	*2.29*	*-2.49*	2.07	*2.47*	*-0.40*
Diluted (EUR)	10	-0.20	*2.28*	*-2.48*	2.06	*2.46*	*-0.40*

The notes on pages 6 to 60 are an integral part of these consolidated financial statements.
(1) See summary of significant accounting policies in note 2 and unusual items and re-measurements in note 9.
(2) Within the 2013 current items comparative (Vehicle Glass segment) there is a reallocation of EUR 41.1 million from cost of sales to commercial and administrative expenses reflecting the change in staff activities as the business has expanded.

Consolidated Statement of Comprehensive Income

Year ended 31 December

EUR million	Notes	2014	2013
Result for the period		-14.6	118.0
Other comprehensive income			
Items that will not be reclassified to profit or loss:		-28.7	0.2
Actuarial gains (losses) on employee benefits	20	*-30.9*	*2.5*
Tax relating to actuarial gains (losses) on employee benefits	8	*2.2*	*-2.3*
Items that may be reclassified subsequently to profit or loss:		6.1	-26.1
Translation differences		*5.2*	*-26.7*
Cash flow hedges: fair value gains (losses) in equity		*0.9*	*0.6*
Other comprehensive income, net of tax		-22.6	-25.9
Total comprehensive income for the period		**-37.2**	**92.1**
being: attributable to equity holders of the Parent		*-32.6*	*89.5*
attributable to non-controlling interests		*-4.6*	*2.6*

The notes on pages 6 to 60 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

At 31 December

EUR million	Notes	2014	2013
Goodwill	11	965.7	1,056.9
Other intangible assets	13	457.9	434.5
Property, plant and equipment	15	505.8	458.2
Investment property	16	6.7	4.8
Equity accounted investments	7	62.8	59.9
Available-for-sale financial assets	17	0.5	0.5
Held-to-maturity financial assets	14	-	9.7
Employee benefits	20	40.9	34.2
Deferred tax assets	21	52.8	41.6
Other receivables	22	24.7	23.6
Non-current assets		**2,117.8**	**2,123.9**
Non-current assets classified as held for sale	23	6.3	-
Inventories	24	608.7	539.3
Held-to-maturity financial assets	14	176.1	288.4
Derivative hedging instruments	18	1.5	0.6
Derivatives held for trading	19	4.2	7.4
Other financial assets	25	1.8	1.6
Current tax assets	26	6.9	9.2
Trade and other receivables	27	379.1	384.7
Cash and cash equivalents	28	84.8	199.6
Current assets		**1,269.4**	**1,430.8**
TOTAL ASSETS		**3,387.2**	**3,554.7**
Capital and reserves attributable to equity holders		1,644.2	1,723.6
Non-controlling interests		0.6	1.6
Equity		**1,644.8**	**1,725.2**
Employee benefits	20	60.3	27.2
Provisions	30	23.0	26.3
Loans and borrowings	31/32	739.5	693.0
Derivatives held for trading	19	2.7	14.1
Put options granted to non-controlling shareholders	33	75.2	89.0
Other payables	34	15.9	19.0
Deferred tax liabilities	21	38.2	38.4
Non-current liabilities		**954.8**	**907.0**
Provisions	30	34.5	3.5
Derivative hedging instruments	18	0.1	0.1
Loans and borrowings	31/32	139.2	330.0
Derivatives held for trading	19	8.2	1.3
Current tax liabilities	26	10.8	18.0
Trade and other payables	35	594.8	569.6
Current liabilities		**787.6**	**922.5**
TOTAL EQUITY AND LIABILITIES		**3,387.2**	**3,554.7**

The notes on pages 6 to 60 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

At 31 December

EUR million	Capital and reserves attributable to equity holders									Total	Non-	Equity
	Share capital	Share premium	Treasury shares	Share-based payment reserve	Hedging reserve	Retained earnings	Actuarial gains and losses	Taxes	Cumu-lative translation differences	Group's share	controlling interests	
At 1 January 2013	**160.0**	**24.4**	**-22.4**	**8.8**	**-0.5**	**1,569.6**	**-66.0**	**16.4**	**-12.9**	**1,677.4**	**1.8**	**1,679.2**
Treasury shares	-	-	-0.9	-	-	-	-	-	-	-0.9	-	-0.9
Dividend 2012 paid in 2013	-	-	-	-	-	-44.0	-	-	-	-44.0	-1.5	-45.5
Put options treatment - Movement of the period	-	-	-	-	-	-	-	-	-	-	-1.3	-1.3
Other movements	-	-	-	1.6	-	-	-	-	-	1.6	-	1.6
Total comprehensive income	-	-	-	-	0.6	114.0	2.4	-2.2	-25.3	89.5	2.6	92.1
At 1 January 2014	**160.0**	**24.4**	**-23.3**	**10.4**	**0.1**	**1,639.6**	**-63.6**	**14.2**	**-38.2**	**1,723.6**	**1.6**	**1,725.2**
Treasury shares	-	-	-4.5	-	-	-	-	-	-	-4.5	-	-4.5
Dividend 2013 paid in 2014	-	-	-	-	-	-44.0	-	-	-	-44.0	-	-44.0
Put options treatment - Movement of the period	-	-	-	-	-	-	-	-	-	-	3.6	3.6
Other movements	-	-	-	1.7	-	-	-	-	-	1.7	-	1.7
Total comprehensive income	-	-	-	-	0.9	-11.1	-29.4	2.1	4.9	-32.6	-4.6	-37.2
At 31 December 2014	**160.0**	**24.4**	**-27.8**	**12.1**	**1.0**	**1,584.6**	**-93.0**	**16.3**	**-33.3**	**1,644.2**	**0.6**	**1,644.8**

The notes on pages 6 to 60 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

Year ended 31 December

EUR million	Notes	2014	2013
Cash flows from operating activities - Continuing			
Result for the period		-14.6	118.0
Income tax expense	8	9.3	34.8
Share of result of entities accounted for using the equity method, net of income tax	7	-0.9	-0.5
Net finance costs	6	32.2	47.6
Operating result from continuing operations		**26.0**	**199.9**
Depreciation of other items	5	94.5	91.7
Amortisation of other intangible assets	5/9/13	36.7	33.9
Impairment losses on goodwill and other non-current assets	9/11/15	100.5	-
Other non-cash items	9	69.7	13.1
Employee benefits		-6.8	-8.4
Other cash items		-15.9	-10.3
Change in net working capital		-21.1	4.9
Cash generated from operations		**283.6**	**324.8**
Tax paid		-23.2	-41.6
Net cash from operating activities		**260.4**	**283.2**
Cash flows from investing activities - Continuing			
Purchase of fixed assets		-134.2	-110.8
Sale of fixed assets		10.3	4.7
Net capital expenditure		**-123.9**	**-106.1**
Acquisition of subsidiaries (net of cash acquired)	9/12	-34.0	-60.3
Contribution of cash to joint venture		-0.4	-
Investment in held-to-maturity financial assets	14	121.9	-86.4
Interest received		12.2	10.6
Net investment in other financial assets		-0.9	-1.0
Net cash from investing activities		**-25.1**	**-243.2**
Cash flows from financing activities - Continuing			
Acquisition of non-controlling interests	9	0.8	-35.7
Net disposal/(acquisition) of treasury shares		-4.5	-0.9
Capital element of finance lease payments		-22.5	-24.0
Net change in other borrowings		-221.7	135.8
Interest paid		-57.7	-47.7
Dividends paid by Parent	29	-44.0	-44.0
Dividends received from/(paid by) subsidiaries		-	-1.5
Net cash from financing activities		**-349.6**	**-18.0**
TOTAL CASH FLOW FOR THE PERIOD		**-114.3**	**22.0**
Reconciliation with statement of financial position			
Cash at beginning of period	28	195.6	131.7
Cash equivalents at beginning of period	28	4.0	50.0
Cash and cash equivalents at beginning of period	28	**199.6**	**181.7**
Total cash flow for the period		-114.3	22.0
Translation differences		-0.5	-4.1
Cash and cash equivalents at end of period		**84.8**	**199.6**
Included within "Cash and cash equivalents"	*28*	*84.8*	*199.6*

The notes on pages 6 to 60 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

NOTE 1: GENERAL INFORMATION

s.a. D'Ieteren n.v. (the Company or the Parent) is a public company incorporated and domiciled in Belgium, whose main shareholders are listed in note 29. The address of the Company's registered office is:
Rue du Mail 50
B-1050 Brussels

The Company, its subsidiaries and its interests in associates and joint ventures (together the Group) form an international group, active in sectors of services to the motorist:

- Automobile distribution in Belgium of Volkswagen, Audi, Seat, Skoda, Bentley, Lamborghini, Bugatti, Porsche, and Yamaha;
- Vehicle glass repair and replacement mainly in Europe, North and South America, Australia and New Zealand through Belron s.a. and notably its CARGLASS®, AUTOGLASS® and SAFELITE® AUTO GLASS brands.

The Group is present in 34 countries serving over 12 million customers.

The Company is listed on Euronext Brussels.

These consolidated financial statements have been authorized for issue by the Board of Directors on 26 February 2015.

NOTE 2: ACCOUNTING POLICIES

Note 2.1: Basis of Preparation

These 2014 consolidated financial statements are for the 12 months ended 31 December 2014. 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 the International Financial Reporting Standards ("IFRS") and the related International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective, as adopted by the European Union ("EU"). They correspond to the standards and interpretations issued by the International Accounting Standards Board ("IASB") and are effective as at 31 December 2014.

These consolidated financial statements have been prepared under the historical cost convention, except for available-for-sale financial assets, money market assets classified within cash and cash equivalents, employee benefits and financial assets and financial liabilities (including derivative instruments) that have been measured at fair value. Following adoption of IFRS 13 "Fair Value Measurement", which clarifies the valuation methodology of fair value measurements required or permitted by other IFRSs, fair values presented reflect the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction at the date of the statement of financial position.

These consolidated financial statements are prepared on the assumption that the Group is a going concern and will continue in operation for the foreseeable future.

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results may differ from these estimates. If in the future such estimates and assumptions, which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are mainly the measurement of defined benefit obligations (key actuarial assumptions), the recognition of deferred tax assets (availability of future taxable profit against which carryforward tax losses can be used), the impairment test (key assumptions) and the recognition and measurement of provisions and contingencies. They are also disclosed in the relevant notes.

A number of the Group's accounting policies and disclosures require the measurement of fair values. The main areas are share-based payments, investment properties, financial instruments and business combinations. Further information is included in the relevant notes.

NOTE 2: ACCOUNTING POLICIES (continued)

Note 2.2: Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

The new standards, amendments and interpretations that are mandatory for the first time for the Group's accounting period beginning on 1 January 2014 are listed below and have no significant impact on the Group's consolidated financial statements:

- Amendments to IAS 32 "Offsetting Financial Assets and Financial Liabilities";
- Amendments to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting".

The new standards, amendments and interpretations to existing standards that have been published by the IASB and are mandatory for the Group's accounting periods beginning on or after 1 January 2015 or later periods but which the Group has not early adopted, are :

- IFRIC 21 "Levies" (effective 1 January 2015). This interpretation provides guidance on accounting for levies in accordance with the requirements of IAS 37 "Provisions";
- Annual improvements to IFRS 2010-2012 and IFRS 2011-2013 cycles (effective 1 January 2015). These improvements are a collection of minor improvements to existing standards;
- Amendments to IAS 19 "Employee Benefits – Defined Benefit Plans: Employee Contributions" (effective 1 January 2015). These amendments introduce a relief that will reduce the complexity and burden of accounting for certain contributions from employees or third parties;
- Annual improvements to IFRS 2012-2014 cycle (effective 1 January 2016 – subject to endorsement by the EU). These improvements are a collection of minor improvements to existing standards;
- Accounting for Acquisitions of Interests in Joint Operations - Amendments to IFRS 11 (effective 1 January 2016 – subject to endorsement by the EU). This amendment determines that when an entity acquires an interest in a joint operation that is a business, as defined in IFRS 3, it shall apply all of the principles on business combinations accounting in IFRS 3, and other IFRSs, that do not conflict with the guidance in this IFRS;
- Clarification of Acceptable Methods of Depreciation and Amortisation – Amendments to IAS 16 and IAS 38 (effective 1 January 2016 – subject to endorsement by the EU).This amendment emphasizes that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment;
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (effective 1 January 2016 – subject to endorsement by the EU). This amendment provides guidance on the recognition of the gain or loss when accounting for the sale or contribution of a subsidiary to an associate or joint venture;
- IFRS 15 "Revenue from Contracts with Customers (effective 1 January 2017 – subject to endorsement by the EU). This new standard will replace existing revenue recognition guidance (notably IAS 18 "Revenue") and establish a comprehensive framework for determining whether, how much and when revenue is recognised;
- IFRS 9 "Financial Instruments: Classification and Measurement" (effective 1 January 2018 – subject to endorsement by the EU). This new standard will replace the existing guidance in IAS 39 "Financial Instruments: Recognition and Measurement".

The Group is currently assessing the impact of the new standards, interpretations and amendments. No major impact is expected.

Principles of Consolidation

Subsidiary undertakings

Subsidiary undertakings, which are those entities in which the Group has, directly or indirectly, an interest of more than half of the voting rights or otherwise has the power to exercise control over the operations, are consolidated. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date that control is transferred to the Group, and are no longer consolidated from the date that control ceases. All inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated upon consolidation.

Transactions with non-controlling interest that do not result in loss of control are accounted for as equity transactions. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interest (that do not result in loss of control) are also recorded in equity.

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date where control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income are reclassified to profit or loss.

NOTE 2: ACCOUNTING POLICIES (continued)

Associated undertakings

Associates are all entities over which the Group has significant influence but not control or joint control, over the financial and operating policies. Investments in associates are accounted for using the equity method. The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

The Group's share of profit from the associate represents the Group's share of the associate's profit after tax. Profits and losses resulting from transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate. Unrealised gains on transactions between the Group and its associate are also eliminated based on the same principle; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Equity accounting is discontinued when the carrying amount of the investment in an associate reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associate.

Interests in joint ventures

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Interests in joint ventures are recognised using the equity method. The above principles regarding associated undertakings are also applicable to joint ventures.

Impairment of associates and joint ventures

The Group determines at each reporting date whether there is any objective evidence that the investment in the equity accounted investment is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount adjacent to "share of profit/(loss) of an associate/joint venture" in the income statement.

Foreign Currency Translation

The Group consolidation is prepared in euro. Income statements of foreign operations are translated into euro at the weighted average exchange rates for the period and statements of financial positions are translated into euro at the exchange rate ruling on the statement of financial position date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as local currency assets and liabilities of the foreign entity and are translated at the closing rate.

Foreign currency transactions are accounted for at the exchange rate prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised within the income statement. Exchange movements arising from the retranslation at closing rates of the Group's net investment in subsidiaries, joint ventures and associates are taken to the translation reserve component in other comprehensive income. The Group's net investment includes the Group's share of net assets of subsidiaries, joint ventures and associates, and certain inter-company loans. The net investment definition includes loans between "sister" companies and certain inter-company items denominated in any currency. Other exchange movements are taken to the income statement.

Where the Group hedges net investments in foreign operations, the gains and losses relating to the effective portion of the hedging instrument are recognised in the translation reserve in other comprehensive income. The gain or loss relating to any ineffective portion is recognised in the income statement. Gains and losses accumulated in other comprehensive income are included in the income statement when the foreign operation is disposed of.

Goodwill

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest and previously held interest in the acquiree. For each business combination, the Group measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. The excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net recognised amount (generally at fair value) of the identifiable assets acquired and liabilities assumed constitutes goodwill, and is recognised as an asset. In case this excess is negative, it is recognised immediately in the income statement. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss. Acquisition-related costs, other than those associated with the issue of debt or equity securities that the Group incurs in connection with a business combination, are expensed as incurred.

NOTE 2: ACCOUNTING POLICIES (continued)

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGU's or groups of CGU's that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level for business combinations and transactions performed by the Parent, and at the country level for business combinations performed by Belron s.a. and its subsidiaries.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Intangible Assets

An item of intangible assets is valued at its cost less any accumulated amortisation and any accumulated impairment losses. Customer contracts and brands acquired in a business combination are recognised at fair value at the acquisition date.

Generally, costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. However, costs that are directly associated with identifiable and unique software products controlled by the Group which have probable economic benefits exceeding the cost beyond one year are recognised as intangible assets.

Intangible assets with a finite useful life are generally amortised over their useful life on a straight line basis. The estimated useful lives are between 2 and 10 years.

Brands for which there is a limit to the period over which these assets are expected to generate cash inflows will be amortised on a straight line basis over their remaining useful lives which are estimated to be up to 3 years.

Amortisation periods are reassessed annually.

Brands that have indefinite useful lives are those, thanks to the marketing spend and advertising made, where there is no foreseeable limit to the period over which these assets are expected to generate net cash inflows for the Group. They are therefore not amortised but tested for impairment annually.

For any intangible asset with a finite or indefinite useful life, where an indication of impairment exists, its carrying amount is assessed and written down immediately to its recoverable amount. Impairment losses are recognised in the consolidated income statement.

Expenditure on internally generated intangible assets is recognised in the consolidated income statement as an expense as incurred.

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Research and Development

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

(a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
(b) the Group has the intention to complete the intangible asset and use or sell it;
(c) the Group has ability to use or sell the intangible asset;
(d) how the intangible asset will generate probable future economic benefits;
(e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
(f) the Group has the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Property, Plant and Equipment

An item of property, plant and equipment is initially measured at cost. This cost comprises its purchase price (including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates), plus any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating. If applicable, the initial estimate of the cost of dismantling and removing the item and restoring the site is also included in the cost of the item. After initial recognition, the item is carried at its cost less any accumulated depreciation and any accumulated impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

NOTE 2: ACCOUNTING POLICIES (continued)

The depreciable amount of the item is allocated according to the straight-line method over its useful life. The main depreciation periods are the following:

- Buildings: 40 to 50 years;
- Plant and equipment: 3 to 15 years;
- IT equipment: 2 to 7 years;
- Leased assets: depending on the length of the lease.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Leases

Operating leases for which the Group is the lessor

Assets leased out under operating leases in which a significant portion of the risks and rewards of ownership are retained by the lessor (other than vehicles sold under buy-back agreements) are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives. Rental income is recognised on a straight-line basis over the lease term.

Operating leases for which the Group is the lessee

Lease payments under operating leases are recognised as expenses in the income statement on a straight-line basis over the lease term.

Finance leases for which the Group is the lessee

Leases of property, plant and equipment for which substantially all the risks and rewards of ownership are transferred to the Group are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and the finance charge so as to achieve a constant rate of return on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance cost is charged to the income statement over the lease period. The leased assets are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. If there is no reasonable certainty that ownership will be acquired by the end of the lease term, the asset is depreciated over the shorter of the lease term and its useful life.

Vehicles sold under buy-back agreements

Vehicles sold under buy-back agreements are accounted for as operating leases (lessor accounting), and are presented in the statement of financial position under inventories. The difference between the sale price and the repurchase price (buy-back obligation) is considered as deferred income, while buy-back obligations are recognised in trade payables. The deferred income is recognised as revenue on a straight line basis over the relevant vehicle holding period.

Investment Properties

Investment properties are measured at cost less accumulated depreciation and accumulated impairment losses. These items are amortised over their useful life on a straight-line basis method. The estimated useful lives are between 40 and 50 years.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Items that are not interchangeable, like new vehicles and second-hand vehicles, are valued using specific identification of their individual costs. Other items are valued using the first in, first out or weighted average cost formula. When inventories are used, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. Losses and write-downs of inventories are recognised in the period in which they occur. Reversal of a write-down is recognised as a credit to cost of sales in the period in which the reversal occurs.

Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits, excluding any blocked or restricted cash held by the Group. Cash equivalents are short-term (maximum 3 months), highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTE 2: ACCOUNTING POLICIES (continued)

Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effect(s).

Where the Company (or its subsidiaries) reacquires its own equity instruments, those instruments are deducted from equity as treasury shares. Where such equity instruments are subsequently sold, any consideration received is recognised in equity.

Dividends to holders of equity instruments proposed or declared after the balance sheet date are not recognised as a liability at the balance sheet date; it is presented in equity.

Provisions

A provision is recognised when:

- there is a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

If these conditions are not met, no provision is recognised.

Post-employment Employee Benefits

The Group has various defined benefit pension plans and defined contribution pension plans. Most of these plans are funded schemes, i.e. they are financed through a pension fund or an external insurance policy. The minimum funding level of these schemes is defined by national rules.

Payments to *defined contribution pension plans* are charged as an expense as they fall due.

The Group's commitments under *defined benefit pension plans*, and the related costs, are valued using the "projected unit credit method", with independent actuaries carrying out the valuations at least on a yearly basis. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Actuarial gains and losses are recognised in full in the period in which they occur. They are recognised in other comprehensive income. Past service cost is recognised immediately to the extent that the benefits have already vested, and otherwise is amortised on a straight line basis until the benefits become vested.

The long-term employee benefit obligation recognised in the statement of financial position represents the present value of the defined benefit obligations as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of any refunds and reductions in future contributions to the plan.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits as it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal.

Other long-term incentives

The group recognises a provision for long-term incentives where they are contractually obliged or where there is a past practice that has created a constructive obligation. This provision is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

Financial Instruments Excluding Derivatives

The Group classifies its financial assets in the following categories: at fair value through profit or loss, held-to-maturity financial assets, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(b) Held-to-maturity financial assets

These assets are initially recognised at fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

(c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period.

NOTE 2: ACCOUNTING POLICIES (continued)

These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables', 'cash and cash equivalents' and 'other financial assets' in the statement of financial position.

(d) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Measurement of financial instruments:

(a) Available-for-sale financial assets are measured at fair value through other comprehensive income. Impairment losses are recorded in the income statement.
(b) The cost of treasury shares is deducted from equity.
(c) Trade and other receivables are measured at their amortised cost using the effective interest rate method, as reduced by appropriate allowances for irrecoverable amounts.
(d) Financial assets held for trading are measured at fair value.
(e) Trade and other payables, as well as borrowings, are measured at amortised cost using the effective interest rate method.

Financial Instruments – Derivatives

Derivatives are used as hedges in the financing and financial risk management of the Group.

The Group's activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates. The Group uses foreign exchange forward contracts, interest rate swaps, cross currency interest rate swaps, and options to hedge these exposures. The Group does not use derivatives for speculative purposes. However, certain financial derivative transactions, while constituting effective economic hedges, do not qualify for hedge accounting under the specific rules in IAS 39.

Derivatives are recorded initially and subsequently at fair value. Unless accounted for as hedges, they are classified as held for trading and are subsequently measured at fair value. Derivatives classified as held for trading are those which do not meet the strict criteria of IAS 39 for application of hedge accouting. Changes in fair value of derivatives that do not qualify for hedge accounting are recognised in the income statement as they arise.

Cash flow hedge

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in other comprehensive income and any ineffective portion is recognised immediately in the income statement. If the cash flow hedge is a firm commitment or the forecasted transaction results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in other comprehensive income are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of an asset or a liability, amounts deferred in other comprehensive income are recognised in the income statement in the same period in which the hedged item affects net profit or loss.

Fair value hedge

For an effective hedge of an exposure to changes in the fair value, the hedged item is adjusted for changes in fair value attributable to the risk being hedged with a corresponding entry in profit or loss. Gains or losses from re-measuring the derivative, or for non-derivatives the foreign currency component of its carrying amount, are recognised in profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. In the case of a cash flow hedge, any cumulative gain or loss recognised in other comprehensive income is transferred to profit or loss when profit or loss is impacted by the hedged item. If the forecast transaction is no longer expected to occur, the cumulative gain or loss is reclassified in the profit or loss immediately.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts, and the host contracts are not carried at fair value with unrealised gains or losses reported in income statement.

Put Options Granted to Non-Controlling Shareholders

The Group is committed to acquiring the non-controlling shareholdings owned by third parties in Belron, should these third parties wish to exercise their put options. The exercise price of such options granted to non-controlling interest is reflected as a financial liability in the consolidated statement of financial position. For put options granted to non-controlling interest prior to 1 January 2010, the goodwill is adjusted at period end to reflect the change in the exercise price of the options and the carrying value of non-controlling interest to which they relate.

For put options granted to non-controlling interest as from 1 January 2010, at inception, the difference between the consideration received and the exercise price of the options granted is recognised against the group's share of equity. At each period end, the re-measurement of the financial liability resulting from these options will be recognised in the consolidated income statement as a re-measurement item in net finance costs.

NOTE 2: ACCOUNTING POLICIES (continued)

Non-Current Assets (or Disposal Groups) Held for Sale and Discontinued Operations

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale and is disclosed as a single line item in the income statement.

Revenue Recognition

Revenue from the *sale of goods* is recognised when all the following conditions have been satisfied:

(a) the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
(b) the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
(c) the amount of revenue can be measured reliably;
(d) it is probable that the economic benefits associated with the transaction will flow to the Group; and
(e) the cost incurred or to be incurred in respect of transaction can be measured reliably.

When the outcome of a transaction involving the *rendering of services* can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the balance sheet date.

The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

(a) the amount of revenue can be measured reliably;
(b) it is probable that the economic benefits associated with the transaction will flow to the Group;
(c) the stage of completion of the transaction at the balance sheet date can be measured reliably; and
(d) the cost incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest is recognised on a time proportion basis that takes into account the effective yield on the asset. *Royalties* are recognised on an accrual basis in accordance with the substance of the relevant agreement. *Dividends* are recognised when the shareholder's right to receive payment has been established.

In the income statement, sales of goods, rendering of services and royalties are presented under the heading "revenue". Interest income is presented under the heading "net finance costs".

Share-Based Payments

Share-based payments are exclusively made in connection with employee stock option plans ("ESOP").

Equity-settled ESOP granted after 7 November 2002 are accounted for in accordance with IFRS 2, such that their cost is recognised in the income statement over the related performance period.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

Government Grants

Government grants related to assets are presented in liabilities as deferred income, and amortised over the useful life of the related assets.

Income Taxes

Current taxes relating to current and prior periods are, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset. The benefit relating to a tax loss that can be carried back to recover current tax of a previous period is recognised as an asset. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred taxes are provided in full using the balance sheet liability method, on temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are not calculated on the following temporary differences: (i) the initial recognition of goodwill and (ii) the initial recognition of assets and liabilities that affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of

NOTE 2: ACCOUNTING POLICIES (continued)

realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balance on a net basis.

Unusual Items and Re-measurements

Each line of the income statement, and each subtotal of the segment income statement, is broken down in order to provide information on the current result and on unusual items and re-measurements. Unusual items and re-measurements comprise the following items:

(a) Recognised fair value gains and losses on financial instruments, excluding the accrued cash flows that occur under the Group's hedging arrangements, where hedge accounting is unable to be applied under IAS 39;

(b) Exchange gains and losses arising upon the translation of foreign currency borrowings at the closing rate;

(c) Re-measurement of financial liabilities resulting from put options granted to non-controlling interest as from 1 January 2010;

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

(e) Amortisation of intangible assets with finite useful lives recognised in the framework of the allocation of the cost of a business combination as defined by IFRS 3;

(f) Other unusual items. They are 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.

All other items are recognised as part of the current result.

NOTE 3: SEGMENT INFORMATION

Note 3.1: Basis of Segmentation

The Group's reportable operating segments are Automobile Distribution and Vehicle Glass.

The Automobile Distribution segment includes the automobile distribution activities (see note 1) as well as corporate activities. The Vehicle Glass segment comprises Belron s.a. and its subsidiaries (see note 1).

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

NOTE 3: SEGMENT INFORMATION (continued)

Note 3.2: Segment Statement of Profit or Loss - Operating Segments (Year ended 31 December)

EUR million	Notes	2014				2013			
		Auto-mobile Distri-bution	Vehicle Glass	Elimi-nations	Group	Auto-mobile Distri-bution	Vehicle Glass	Elimi-nations	Group
External revenue	4	2,660.5	2,881.1		5,541.6	2,627.4	2,843.1		5,470.5
Inter-segment revenue		3.8	-	-3.8	-	4.1	0.1	-4.2	-
Segment revenue		**2,664.3**	**2,881.1**	**-3.8**	**5,541.6**	**2,631.5**	**2,843.2**	**-4.2**	**5,470.5**
Operating result (being segment result)	5	**49.9**	**-23.9**		**26.0**	**43.0**	**156.9**		**199.9**
of which: current items	5	*53.3*	*145.3*		*198.6*	*46.7*	*173.5*		*220.2*
unusual items and re-measurements	5	*-3.4*	*-169.2*		*-172.6*	*-3.7*	*-16.6*		*-20.3*
Net finance costs	6	-7.2	-25.0		-32.2	-8.9	-38.7		-47.6
Finance income		8.0	10.6		18.6	2.7	1.1		3.8
Finance costs		-15.2	-35.6		-50.8	-11.6	-39.8		-51.4
Share of result of entities accounted for using the equity method, net of income tax	7	0.9	-		0.9	0.5	-		0.5
Result before taxes	9	**43.6**	**-48.9**		**-5.3**	**34.6**	**118.2**		**152.8**
of which: current items	9	*50.5*	*110.4*		*160.9*	*44.6*	*137.7*		*182.3*
unusual items and re-measurements	9	*-6.9*	*-159.3*		*-166.2*	*-10.0*	*-19.5*		*-29.5*
Income tax expense	8	5.0	-14.3		-9.3	1.5	-36.3		-34.8
Result from continuing operations		**48.6**	**-63.2**		**-14.6**	**36.1**	**81.9**		**118.0**
of which: current items		*49.5*	*80.1*		*129.6*	*42.7*	*98.2*		*140.9*
unusual items and re-measurements		*-0.9*	*-143.3*		*-144.2*	*-6.6*	*-16.3*		*-22.9*
RESULT FOR THE PERIOD		**48.6**	**-63.2**		**-14.6**	**36.1**	**81.9**		**118.0**

Attributable to :		Auto-mobile Distri-bution	Vehicle Glass		Group	Auto-mobile Distri-bution	Vehicle Glass		Group
Equity holders of the Parent		48.8	-59.9		-11.1	36.4	77.6		114.0
of which: current items	9	*49.7*	*76.0*		*125.7*	*43.0*	*93.1*		*136.1*
unusual items and re-measurements		*-0.9*	*-135.9*		*-136.8*	*-6.6*	*-15.5*		*-22.1*
Non-controlling interests		-0.2	-3.3		-3.5	-0.3	4.3		4.0
RESULT FOR THE PERIOD		**48.6**	**-63.2**		**-14.6**	**36.1**	**81.9**		**118.0**

NOTE 3: SEGMENT INFORMATION (continued)

Note 3.3: Segment Statement of Financial Position - Operating Segments (At 31 December)

EUR million	Notes	2014			2013		
		Automobile Distribution	**Vehicle Glass**	**Group**	**Automobile Distribution**	**Vehicle Glass**	**Group**
Goodwill	11	9.9	955.8	965.7	8.3	1,048.6	1,056.9
Other intangible assets	13	9.3	448.6	457.9	8.3	426.2	434.5
Property, plant and equipment	15	179.4	326.4	505.8	160.9	297.3	458.2
Investment property	16	6.7	-	6.7	4.8	-	4.8
Equity accounted investments	7	62.8	-	62.8	59.9	-	59.9
Available-for-sale financial assets	17	0.5	-	0.5	0.5	-	0.5
Held-to-maturity financial assets	14	-	-	-	9.7	-	9.7
Employee benefits	20	-	40.9	40.9	-	34.2	34.2
Deferred tax assets	21	1.4	51.4	52.8	0.1	41.5	41.6
Other receivables	22	22.4	2.3	24.7	21.2	2.4	23.6
Non-current assets		**292.4**	**1,825.4**	**2,117.8**	**273.7**	**1,850.2**	**2,123.9**
Non-current assets classified as held for sale	23	6.3	-	6.3	-	-	-
Inventories	24	323.3	285.4	608.7	285.0	254.3	539.3
Held-to-maturity financial assets	14	176.1	-	176.1	288.4	-	288.4
Derivative hedging instruments	18	-	1.5	1.5	-	0.6	0.6
Derivatives held for trading	19	3.3	0.9	4.2	5.9	1.5	7.4
Other financial assets	25	-	1.8	1.8	-	1.6	1.6
Current tax assets	26	0.2	6.7	6.9	-	9.2	9.2
Trade and other receivables	27	132.3	246.8	379.1	130.9	253.8	384.7
Cash and cash equivalents	28	54.9	29.9	84.8	163.1	36.5	199.6
Current assets		**696.4**	**573.0**	**1,269.4**	**873.3**	**557.5**	**1,430.8**
TOTAL ASSETS		**988.8**	**2,398.4**	**3,387.2**	**1,147.0**	**2,407.7**	**3,554.7**
Capital and reserves attributable to equity holders		1,644.2	-	1,644.2	1,723.6	-	1,723.6
Non-controlling interests		-0.8	1.4	0.6	-0.6	2.2	1.6
Equity		**1,643.4**	**1.4**	**1,644.8**	**1,723.0**	**2.2**	**1,725.2**
Employee benefits	20	8.4	51.9	60.3	7.4	19.8	27.2
Provisions	30	20.5	2.5	23.0	20.5	5.8	26.3
Loans and borrowings	31/32	6.2	733.3	739.5	102.9	590.1	693.0
Derivatives held for trading	19	-	2.7	2.7	-	14.1	14.1
Put options granted to non-controlling shareholders	33	75.2	-	75.2	89.0	-	89.0
Other payables	34	-	15.9	15.9	-	19.0	19.0
Deferred tax liabilities	21	17.8	20.4	38.2	21.1	17.3	38.4
Non-current liabilities		**128.1**	**826.7**	**954.8**	**240.9**	**666.1**	**907.0**
Provisions	30	-	34.5	34.5	-	3.5	3.5
Derivative hedging instruments	18	-	0.1	0.1	-	0.1	0.1
Loans and borrowings	31/32	106.7	32.5	139.2	151.9	178.1	330.0
Derivatives held for trading	19	0.4	7.8	8.2	-	1.3	1.3
Current tax liabilities	26	0.1	10.7	10.8	0.1	17.9	18.0
Trade and other payables	35	136.7	458.1	594.8	149.3	420.3	569.6
Current liabilities		**243.9**	**543.7**	**787.6**	**301.3**	**621.2**	**922.5**
TOTAL EQUITY AND LIABILITIES		**2,015.4**	**1,371.8**	**3,387.2**	**2,265.2**	**1,289.5**	**3,554.7**

NOTE 3: SEGMENT INFORMATION (continued)

Note 3.4: Segment Statement of Cash Flows - Operating Segments (Year ended 31 December)

EUR million	Notes	2014			2013		
		Autom. Distrib.	**Vehicle Glass**	**Group**	**Autom. Distrib.**	**Vehicle Glass**	**Group**
Cash flows from operating activities - Continuing							
Result for the period		48.6	-63.2	-14.6	36.1	81.9	118.0
Income tax expense	8	-5.0	14.3	9.3	-1.5	36.3	34.8
Share of result of entities accounted for using the equity method, net of income tax	7	-0.9	-	-0.9	-0.5	-	-0.5
Net finance costs	6	7.2	25.0	32.2	8.9	38.7	47.6
Operating result from continuing operations		**49.9**	**-23.9**	**26.0**	**43.0**	**156.9**	**199.9**
Depreciation of other items	5	14.4	80.1	94.5	12.9	78.8	91.7
Amortisation of other intangible assets	5/9/13	2.5	34.2	36.7	2.5	31.4	33.9
Impairment losses on goodwill and other non-current assets	9/11/15	2.1	98.4	100.5	-	-	-
Other non-cash items	9	11.4	58.3	69.7	0.3	12.8	13.1
Employee benefits		-0.2	-6.6	-6.8	-0.4	-8.0	-8.4
Other cash items		-	-15.9	-15.9	-	-10.3	-10.3
Change in net working capital		-49.3	28.2	-21.1	4.2	0.7	4.9
Cash generated from operations		**30.8**	**252.8**	**283.6**	**62.5**	**262.3**	**324.8**
Tax paid		-1.0	-22.2	-23.2	-0.8	-40.8	-41.6
Net cash from operating activities		**29.8**	**230.6**	**260.4**	**61.7**	**221.5**	**283.2**
Cash flows from investing activities - Continuing							
Purchase of fixed assets		-34.9	-99.3	-134.2	-18.1	-92.7	-110.8
Sale of fixed assets		7.7	2.6	10.3	0.4	4.3	4.7
Net capital expenditure		**-27.2**	**-96.7**	**-123.9**	**-17.7**	**-88.4**	**-106.1**
Acquisition of subsidiaries (net of cash acquired)	9/12	-20.0	-14.0	-34.0	-8.8	-51.5	-60.3
Contribution of cash to joint venture		-0.4	-	-0.4	-	-	-
Investment in held-to-maturity financial assets	14	121.9	-	121.9	-86.4	-	-86.4
Interest received		11.5	0.7	12.2	9.4	1.2	10.6
Net investment in other financial assets		-1.0	0.1	-0.9	-0.8	-0.2	-1.0
Net cash from investing activities		**84.8**	**-109.9**	**-25.1**	**-104.3**	**-138.9**	**-243.2**
Cash flows from financing activities - Continuing							
Acquisition (-)/Disposal (+) of non-controlling interests	9	0.8	-	0.8	-35.7	-	-35.7
Net disposal/(acquisition) of treasury shares		-4.5	-	-4.5	-0.9	-	-0.9
Capital element of finance lease payments		-	-22.5	-22.5	-	-24.0	-24.0
Net change in other borrowings		-153.0	-68.7	-221.7	-0.5	136.3	135.8
Inter-segment loan	9	-	-	-	130.0	-130.0	-
Interest paid		-22.1	-35.6	-57.7	-14.7	-33.0	-47.7
Dividends paid by Parent	29	-44.0	-	-44.0	-44.0	-	-44.0
Dividends received from/(paid by) subsidiaries		-	-	-	28.5	-30.0	-1.5
Net cash from financing activities		**-222.8**	**-126.8**	**-349.6**	**62.7**	**-80.7**	**-18.0**
TOTAL CASH FLOW FOR THE PERIOD		**-108.2**	**-6.1**	**-114.3**	**20.1**	**1.9**	**22.0**

		Autom. Distrib.	**Vehicle Glass**	**Group**	**Autom. Distrib.**	**Vehicle Glass**	**Group**
Reconciliation with statement of financial position							
Cash at beginning of period	28	159.1	36.5	195.6	93.0	38.7	131.7
Cash equivalents at beginning of period	28	4.0	-	4.0	50.0	-	50.0
Cash and cash equivalents at beginning of period	28	**163.1**	**36.5**	**199.6**	**143.0**	**38.7**	**181.7**
Total cash flow for the period		-108.2	-6.1	-114.3	20.1	1.9	22.0
Translation differences		-	-0.5	-0.5	-	-4.1	-4.1
Cash and cash equivalents at end of period		**54.9**	**29.9**	**84.8**	**163.1**	**36.5**	**199.6**
Of which "Cash and cash equivalents	*28*	*54.9*	*29.9*	*84.8*	*163.1*	*36.5*	*199.6*

NOTE 3: SEGMENT INFORMATION (continued)

Note 3.5: Other Segment Information - Operating Segments (Year ended 31 December)

EUR million	2014			2013		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Capital additions (1)	56.5	131.3	187.8	25.9	166.8	192.7

(1) Capital additions include both additions and acquisitions through business combinations including goodwill.

Besides depreciation and amortisation of segment assets (which are provided in note 5), the charge arising from the long-term management incentive schemes is the other significant non-cash expense deducted in measuring segment result.

Note 3.6: Geographical Segment Information (Year ended 31 December)

The Group's two operating segments operate in three main geographical areas, being Belgium (main market for the Automobile Distribution segment), the rest of Europe and the rest of the world.

EUR million	2014				2013			
	Belgium	Rest of Europe	Rest of the world	Group	Belgium	Rest of Europe	Rest of the world	Group
Segment sales from external customers (1)	2,577.4	1,520.3	1,443.9	5,541.6	2,555.3	1,583.7	1,331.5	5,470.5
Non-current assets (2)	240.6	1,071.8	648.4	1,960.8	217.8	1,163.6	596.6	1,978.0
Capital additions (3)	61.4	34.2	92.2	187.8	32.6	58.0	102.1	192.7

(1) Based on the geographical location of the customers.
(2) Non-current assets, as defined by IFRS 8, consists of goodwill, other intangible assets, vehicles, other property, plant and equipment, investment property and non-current other receivables.
(3) Capital additions include both additions and acquisitions through business combinations including goodwill.

NOTE 4: REVENUE

EUR million	2014	2013
New vehicles	2,316.5	2,319.3
Used cars	38.7	23.9
Spare parts and accessories	169.7	164.3
After-sales activities by D'Ieteren Car Centers	81.0	67.0
D'Ieteren Sport	26.0	25.2
Rental income under buy-back agreements	5.0	5.4
Other revenue	23.6	22.3
Subtotal Automobile Distribution	**2,660.5**	**2,627.4**
Vehicle Glass	**2,881.1**	**2,843.1**
REVENUE (EXTERNAL)	**5,541.6**	**5,470.5**
of which: sales of goods	*2,717.5*	*2,698.7*
rendering of services	*2,823.7*	*2,771.2*
royalties	*0.4*	*0.6*

Interest income and dividend income (if any) are presented among net finance costs (see note 6).

NOTE 5: OPERATING RESULT

Operating result is stated after charging:

EUR million	2014			2013		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Current items:						
Purchases and changes in inventories	-2,260.8	-707.3	-2,968.1	-2,268.4	-672.2	-2,940.6
Depreciation of other items (excl. investment property)	-14.0	-80.1	-94.1	-12.5	-78.8	-91.3
Amortisation (excl. re-measurements - see note 9)	-1.2	-22.6	-23.8	-0.6	-21.2	-21.8
Other operating lease rentals (1)	-3.6	-160.3	-163.9	-	-158.4	-158.4
Write-down on inventories	-4.1	-0.6	-4.7	1.6	-0.7	0.9
Employee benefit expenses (see note 36)	-155.0	-1,117.8	-1,272.8	-138.0	-1,086.0	-1,224.0
Research and development expenditure	-	-1.1	-1.1	-	-1.1	-1.1
Sundry (2)	-164.2	-642.8	-807.0	-159.3	-650.5	-809.8
Other operating expenses:						
Bad and doubtful debts	-7.0	-3.2	-10.2	-4.2	-0.8	-5.0
Loss on sale of property, plant and equipment	-0.1	-0.3	-0.4	-	-	-
Investment property expenses:						
Depreciation (see note 16)	-0.4	-	-0.4	-0.4	-	-0.4
Operating expenses (3)	-0.1	-	-0.1	-0.1	-	-0.1
Sundry	-0.6	0.3	-0.3	-0.2	-0.1	-0.3
Subtotal other operating expenses	-8.2	-3.2	-11.4	-4.9	-0.9	-5.8
Other operating income:						
Gain on sale of property, plant and equipment	-	-	-	-	0.2	0.2
Rental income from investment property (4)	1.6	-	1.6	0.9	-	0.9
Sundry	2.3	-	2.3	0.5	-	0.5
Subtotal other operating income	3.9	-	3.9	1.4	0.2	1.6
Subtotal current items	**-2,607.2**	**-2,735.8**	**-5,343.0**	**-2,580.7**	**-2,669.6**	**-5,250.3**
Unusual items and re-measurements (see note 9)	**-3.4**	**-169.2**	**-172.6**	**-3.7**	**-16.6**	**-20.3**
NET OPERATING EXPENSES	**-2,610.6**	**-2,905.0**	**-5,515.6**	**-2,584.4**	**-2,686.2**	**-5,270.6**

(1) Primarily hire of vehicles and other plant and equipment in relation with the business activity.
(2) Mainly relates to marketing and IT costs, legal and consultancy fees.
(3) The full amount is related to investment property that generated rental income.
(4) Does not include any contingent rent.

NOTE 6: NET FINANCE COSTS

Net finance costs are broken down as follows:

EUR million	2014			2013		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Current items:						
Finance costs:						
Current interest expense	-9.7	-36.2	-45.9	-7.4	-37.5	-44.9
Net interest cost on pension (see note 20)	-0.1	0.6	0.5	-0.1	0.6	0.5
Other financial charges	-2.7	-	-2.7	-1.4	-	-1.4
Subtotal finance costs	-12.5	-35.6	-48.1	-8.9	-36.9	-45.8
Finance income	5.3	0.7	6.0	1.6	1.1	2.7
Current net finance costs	**-7.2**	**-34.9**	**-42.1**	**-7.3**	**-35.8**	**-43.1**
Unusual items and re-measurements (see note 9):						
Re-measurements of put options granted to non-controlling interests (see note 33)	2.7	-	2.7	1.1	-	1.1
Re-measurements of financial instruments (1):						
Designated at fair value upon initial recognition	-2.7	9.9	7.2	-2.7	-2.9	-5.6
Unusual items and re-measurements	**-**	**9.9**	**9.9**	**-1.6**	**-2.9**	**-4.5**
NET FINANCE COSTS	**-7.2**	**-25.0**	**-32.2**	**-8.9**	**-38.7**	**-47.6**

(1) Change in "clean" fair value of derivatives corresponds to the change of "dirty" fair value (ie 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.

NOTE 7: ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD

In 2014, three group entities are accounted for using the equity method.

EUR million		2014	2013
Interests in joint ventures		57.6	55.1
Interest in associate		5.2	4.8
Total of equity accounted investments		**62.8**	**59.9**
Share of profit in joint ventures		0.5	-
Share of profit in associate		0.4	0.5
Total of share of result after tax of equity accounted companies		**0.9**	**0.5**
of which:	*Current items*	4.4	5.2
	Unusual items and re-measurements	-3.5	-4.7

Joint ventures

In 2014, two joint ventures are accounted for using the equity method.

Volkswagen D'Ieteren Finance (VDFin) is a joint venture, 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. This joint venture is operational since early 2012 with the contribution of D'Ieteren Lease s.a. (DIL), the former Group subsidiary active in operating leases, and of the Volkswagen Bank Belgium operations.

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.

NOTE 7: ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD (continued)

EUR million	2014	2013
Non-current assets	730.6	654.6
Current assets (excluding cash and cash equivalents)	337.9	333.4
Cash and cash equivalents	18.7	10.6
Non-current liabilities (excluding financial liabilities)	-7.8	-9.9
Non-current financial liabilities	-380.5	-319.6
Current liabilities (excluding financial liabilities)	-67.3	-55.4
Current financial liabilities	-519.9	-503.5
Net assets (100%)	111.7	110.2
Group's share of net assets (49.99%) and carrying amount of interest in joint venture	**55.8**	**55.1**
Revenue	264.6	267.7
Profit before tax	1.3	-0.8
of which: Current items	*11.9*	*13.5*
Result for the period (100%)	1.5	-
of which: Current items	*8.5*	*9.5*
Other comprehensive income (100%)	-	-
Total comprehensive income (100%)	1.5	-
Group's share of total comprehensive income (49.99%)	**0.7**	**-**
of which: Current items	*4.2*	*4.7*
Unusual items and re-measurements	*-3.5*	*-4.7*

Share of net assets represents the share of the Group in the equity of VDFin as at 31 December 2014. In the framework of the contribution in early 2012 of DIL to VDFin and in accordance with IFRS 3 “Business Combinations”, customer contracts were recognised as an intangible asset with a finite useful life (EUR 38.9 million of initial gross amount net of deferred taxes; EUR 10.0 million of carrying amount as at 31 December 2014). The share of the Group in the amortisation after tax amounted to EUR 4.2 million (2013: EUR 4.7 million) and in accordance with the Group’s accounting policies is accounted for in the Group’s consolidated financial statements as a re-measurement.

In September 2014, the Parent and Continental AG have set up OTA Keys s.a., a joint venture owned 50% by the Group and 50% by Continental AG, bringing together their development activities around virtual key solutions. The contribution of the Group’s development activities occurred in early September 2014, resulting in the recognition in current operating result of a consolidated gain of EUR 1.7 million. The following table summarises financial information for the Group’s interest in this joint venture, based on the amounts reported in the financial statements of OTA Keys s.a.

EUR million	2014	2013
Group's share of net assets (50%) and carrying amount of interest in joint venture	1.8	-
Group's share of total comprehensive income (50%)	-0.2	-

Associate

As from June 2012, new finance lease services to customers of the Automobile Distribution segment are provided by the joint venture VDFin. Services related to previous finance lease contracts are still provided by D’Ieteren Vehicle Trading (DVT) s.a., a 49%-owned associate.

The following table summarises the financial information of DVT as included in its own financial statements and also reconciles this summarised financial information to the carrying amount of the Group’s interest in DVT. At year end, the Automobile Distribution’s interest in the associate comprised:

NOTE 7: ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD (continued)

EUR million	2014	2013
Non-current assets	24.4	45.2
Current assets	15.8	13.7
Non-current liabilities	-27.7	-46.2
Current liabilities	-1.9	-3.0
Net assets (100%)	10.6	9.7
Group's share of net assets (49%) and carrying amount of interest in associate	**5.2**	**4.8**
Revenue	13.1	19.7
Profit before tax	1.1	1.3
Result for the period (100%)	0.8	0.9
Group's share of result for the period (49%)	**0.4**	**0.5**

NOTE 8: INCOME TAX EXPENSE

Income tax expense is broken down as follows:

EUR million	2014			2013		
	Automobile Distribution	**Vehicle Glass**	**Group**	**Automobile Distribution**	**Vehicle Glass**	**Group**
Current year income tax	-1.0	-17.0	-18.0	-0.6	-33.1	-33.7
Prior year income tax	-	1.1	1.1	-	0.8	0.8
Movement in deferred taxes	6.0	1.6	7.6	2.1	-4.0	-1.9
Income tax expense	**5.0**	**-14.3**	**-9.3**	**1.5**	**-36.3**	**-34.8**
of which: current items	*-1.0*	*-30.3*	*-31.3*	*-1.9*	*-39.5*	*-41.4*
unusual items and re-measurements (see note 9)	*6.0*	*16.0*	*22.0*	*3.4*	*3.2*	*6.6*

The relationship between income tax expense and accounting profit is explained below:

EUR million	2014			2013		
	Automobile Distribution	**Vehicle Glass**	**Group**	**Automobile Distribution**	**Vehicle Glass**	**Group**
Result before taxes	43.6	-48.9	-5.3	34.6	118.2	152.8
Tax at the Belgian corporation tax rate of 33.99%	-14.8	16.6	1.8	-11.8	-40.2	-52.0
Reconciling items (sum of items marked (a) and (b) below)	19.8	-30.9	-11.1	13.3	3.9	17.2
Actual income tax on result before taxes	**5.0**	**-14.3**	**-9.3**	**1.5**	**-36.3**	**-34.8**

NOTE 8: INCOME TAX EXPENSE (continued)

The reconciling items are provided below:

EUR million		2014			2013		
		Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Current PBT		50.5	110.4	160.9	44.6	137.7	182.3
Tax at the Belgian corporation tax rate of 33.99%		-17.2	-37.5	-54.7	-15.2	-46.8	-62.0
Rate differential	(a)	-	2.7	2.7	-	5.4	5.4
Permanent differences	(a)	16.3	14.6	30.9	16.4	11.9	28.3
Utilisation of tax losses	(a)	0.9	-	0.9	0.1	-	0.1
Adjustments in respect of prior years	(a)	-	2.9	2.9	-	2.3	2.3
Deferred tax assets not recognised	(a)	-3.6	-10.5	-14.1	-3.8	-7.3	-11.1
Recognition of previously unrecognised deferred tax assets	(a)	1.4	-	1.4	-	-	-
Derecognition of previously recognised deferred tax assets	(a)	-	-2.4	-2.4	-	-5.0	-5.0
Impact of dividends	(a)	-0.3	-	-0.3	-1.4	-	-1.4
Joint venture and associate	(a)	1.5	-	1.5	1.8	-	1.8
Other	(a)	-	-0.1	-0.1	0.2	-	0.2
Actual income tax on current PBT		**-1.0**	**-30.3**	**-31.3**	**-1.9**	**-39.5**	**-41.4**
Actual tax rate on current PBT		*2%*	*27%*	*19%*	*4%*	*29%*	*23%*
Unusual items and re-measurements in PBT		-6.9	-159.3	-166.2	-10.0	-19.5	-29.5
Tax at the Belgian corporation tax rate of 33.99%		2.3	54.1	56.4	3.4	6.6	10.0
Rate differential	(b)	-	0.6	0.6	-	-0.7	-0.7
Permanent differences	(b)	2.7	-30.2	-27.5	-	-	-
Deferred tax assets not recognised	(b)	2.7	-8.5	-5.8	1.9	-2.7	-0.8
Joint venture and associate	(b)	-1.2	-	-1.2	-1.6	-	-1.6
Other	(b)	-0.5	-	-0.5	-0.3	-	-0.3
Actual income tax on unusual items and re-measurements in PBT		**6.0**	**16.0**	**22.0**	**3.4**	**3.2**	**6.6**

The tax relating to actuarial losses on employee benefits recognised in the consolidated statement of comprehensive income amounts to EUR 2.2 million. The actual tax rate is mainly driven by the difference in tax rates between the local statutory rates faced by the different countries in which the Group has established pension schemes and the Belgian corporation tax rate, and by the unrecognised deferred tax assets on actuarial losses in certain countries.

NOTE 9: UNUSUAL ITEMS AND RE-MEASUREMENTS

Each line of the statement of profit or loss, and each subtotal of the segment statement of profit or loss, is broken down in order to provide information on the current result and on unusual items and re-measurements. Unusual items and re-measurements comprise the following items:

(a) Recognised fair value gains and losses on financial instruments, excluding the accrued cash flows that occur under the Group's hedging arrangements, where hedge accounting is unable to be applied under IAS 39;

(b) Exchange gains and losses arising upon the translation of foreign currency borrowings at the closing rate;

(c) Re-measurement of financial liabilities resulting from put options granted to non-controlling interest as from 1 January 2010;

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

(e) Amortisation of intangible assets with finite useful lives recognised in the framework of the allocation of the cost of a business combination as defined by IFRS 3;

(f) Other unusual items. They are 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.

All other items are recognised as part of the current result.

Current result after tax ("current PAT") consists of the reported result from continuing operations (or the result for the period when no discontinued operation is reported), excluding unusual items and re-measurements as defined above, and excluding their tax impact.

NOTE 9: UNUSUAL ITEMS AND RE-MEASUREMENTS (continued)

Current result before tax ("current PBT") consists of the reported result before tax excluding unusual items and re-measurements as defined above.

Current PAT, Group's share, and current PBT, Group's share, exclude the share of non-controlling shareholders in current PAT and current PBT.

Current result is a non-GAAP measure, i.e. its definition is not addressed by IFRS. The Group does not represent current result as an alternative to financial measures determined in accordance with IFRS. Current result as reported by the Group may differ from similarly titled measures by other companies. The Group uses the concept of current result to reflect its underlying performance.

In 2014 and 2013, the unusual items and re-measurements comprised:

EUR million	**2014**					**2013**				
	Automobile Distribution		**Vehicle Glass**		**Group**	**Automobile Distribution**		**Vehicle Glass**		**Group**
Unusual items and re-measurements										
Included in operating result	**-3.4**		**-169.2**		**-172.6**	**-3.7**		**-16.6**		**-20.3**
Re-measurements of financial instruments	*-*		*-10.3*	*(g)*	*-10.3*	*-*		*0.8*	*(g)*	*0.8*
Amortisation of customer contracts	*-*		*-10.1*	*(h)*	*-10.1*	*-*		*-9.0*	*(h)*	*-9.0*
Amortisation of brands with finite useful life	*-*		*-1.5*	*(i)*	*-1.5*	*-*		*-1.2*	*(i)*	*-1.2*
Amortisation of other intangibles with finite useful life	*-1.3*	*(a)*	*-*		*-1.3*	*-1.9*	*(a)*	*-*		*-1.9*
Impairment of goodwill and of non-current assets	*-2.1*	*(b)*	*-98.4*	*(j)*	*-100.5*	*-*		*-*		*-*
Other unusual items	*-*		*-48.9*	*(k)*	*-48.9*	*-1.8*	*(f)*	*-7.2*	*(k)*	*-9.0*
Included in net finance costs	**-**		**9.9**		***9.9***	**-1.6**		**-2.9**		***-4.5***
Re-measurements of financial instruments	*-2.7*	*(c)*	*9.9*	*(g)*	*7.2*	*-2.7*	*(c)*	*-2.9*	*(g)*	*-5.6*
Re-measurement of put options granted to non-controlling interests	*2.7*	*(d)*	*-*		*2.7*	*1.1*	*(d)*	*-*		*1.1*
Included in equity accounted result	**-3.5**	*(e)*	**-**		***-3.5***	**-4.7**	*(e)*	**-**		***-4.7***
Included in result before taxes (PBT)	**-6.9**		**-159.3**		***-166.2***	**-10.0**		**-19.5**		***-29.5***
of which: Unusual items	*-*		*-48.9*		*-48.9*	*-1.8*		*-7.2*		*-9.0*
Re-measurements	*-6.9*		*-110.4*		*-117.3*	*-8.2*		*-12.3*		*-20.5*

Automobile Distribution

(a) In the framework of the acquisition in July 2012 of the remaining 67% of S.M.A.R.T. & Clean Automotive Services S.A. (Wondercar, active in smart repairs on vehicles), a fair value adjustement was made in 2013 to the initial valuations. An intangible asset with a finite useful life was recognised and is being amortised on a straight-line basis over 3 years as from the acquisition date. The 2014 amortisation (in commercial and administrative expenses) amounted to EUR 1.3 million (2013: EUR 1.9 million).

(b) In the period, commercial and administrative expenses include an impairment charge of EUR 2.1 million on a property (corporately-owned car dealership in Brussels) following the implementation of the project announced on 27 February 2014.

(c) Net finance costs include re-measurements of financial instruments amounting to EUR -2.7 million (EUR -2.7 million in the prior period) arising from changes in the "clean" fair value of derivatives.

(d) Net finance costs include re-measurement income of put options granted to certain non-controlling shareholders (family holding company of Belron's CEO) amounting to EUR 2.7 million (EUR 1.1 million in the prior period). See note 33 of these consolidated financial statements for more information.

(e) In the period, the share of the Group in the re-measurements of entities accounted for using the equity method amounts to EUR -3.5 million (EUR -4.7 million in the prior period) and is related to the amortisation of an intangible asset with a finite useful life (customer contracts recognised in the framework of the contribution of D'Ieteren Lease's operating leases activities to Volkswagen D'Ieteren Finance – see note 7).

(f) In the prior period, other unusual items in operating result included various unusual costs (EUR 1.8 million in cost of sales and in commercial and administrative expenses) resulting from the termination of the light electrical two-wheeler distribution activity.

NOTE 9: UNUSUAL ITEMS AND RE-MEASUREMENTS (continued)

Vehicle Glass

(g) Cost of sales and net finance costs include re-measurements of financial instruments (fair value of fuel hedge instruments in cost of sales and fair value movements of the cross currency interest swaps in net finance costs – see note 19) amounting respectively to EUR -10.3 million (2013: EUR 0.8 million) and to EUR 9.9 million (2013: EUR -2.9 million) arising from changes in the "clean" fair value of derivatives.

(h) In the framework of recent acquisitions, certain customer contracts were recognised as intangible assets with a finite useful life. The 2014 amortisation (in commercial and administrative expenses) amounted to EUR 10.1 million (2013: EUR 9.0 million).

(i) Commercial and administrative expenses include the amortisation of brands with finite useful lives amounting to EUR 1.5 million (2013: EUR 1.2 million).

(j) In the period, other operating expenses comprise a goodwill impairment charge of EUR 98.4 million (EUR 89.0 million on the UK cash-generating unit and EUR 9.4 million on the China cash-generating unit) following the annual impairment test performed on every cash-generating unit. See note 11 for further information.

(k) In 2014, cost of sales, commercial and administrative expenses and other operating expenses comprise other unusual items (EUR 48.9 million) incurred in relation to:

- Restructuring charges and assets write-downs associated with a change to the UK business operating model (EUR 16.4 million). In response to the adverse market conditions, the Vehicle Glass segment is proposing to invest in a technological transformation of its UK business including moving from a branch and mobile network to a fully mobile operation. Administrative functions performed at branch level are proposed to be centralized while 23 warehouses and multiple small scale stock locations located closer to the end customer, will ensure the supply of glass to mobile units currently performed by the 73 branches operating today;
- The closure of the German specials business (EUR 10.3 million). In addition to its classical fitting business, the Vehicle Glass segment ran a separate activity offering glass repair and replacement for heavy commercial vehicles, notably buses and coaches. The profitability of this business deteriorated in recent years due to the contraction in this market segment and the decision was therefore been taken to close the business;
- Disposal and closure costs in China (EUR 7.5 million). The Vehicle Glass segment entered the Chinese market in 2009. Experience to date has shown that Belron's high business standards were not compatible with the carrying out of a profitable wholesale business in that region. Following the closure of 31 non-profitable locations, the Vehicle Glass segment's footprint in China will be concentrated on 8 branches;
- Restructuring in Italy (EUR 3.2 million). Following a decline in the Vehicle Glass repair and replacement market of circa 8% in 2014 and the decision of one of the major insurance partners to cease its collaboration and to establish its own network for fulfilling glass claims during the year, the Vehicle Glass segment has decided to implement a number of efficiency improvement measures. This will encompass merging the back offices of Carglass Italy and Doctor Glass, its franchise operation, as well as reducing administrative work in several branches thanks to the roll out of the new remote advisor system;
- Restructuring in the Netherlands (EUR 4.0 million). The Vehicle Glass repair and replacement market has halved in the last 5 years following the roll out of a new road surfacing technology that resulted in the Vehicle Glass breakage rate reverting to the European average while it was previously significantly higher. Profit improvement measures are currently being implemented both centrally and in the field operations;
- Integration costs relating to the acquisition of Guardian Glass Co. in the USA and Spain (EUR 6.7 million);
- Finalisation of a major transformation project in Canada (EUR 0.8 million).

In the prior period, other unusual items (EUR 7.2 million presented in other operating expenses) were incurred in relation to acquisition and integration costs in Canada.

NOTE 9: UNUSUAL ITEMS AND RE-MEASUREMENTS (continued)

EUR million	2014			2013		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
From reported PBT to current PBT, Group's share:						
Reported PBT	43.6	-48.9	-5.3	34.6	118.2	152.8
Less: Unusual items and re-measurements in PBT	6.9	159.3	166.2	10.0	19.5	29.5
Current PBT	**50.5**	**110.4**	**160.9**	**44.6**	**137.7**	**182.3**
Less: Share of the group in tax on current result of equity accounted entities	1.8	-	1.8	2.2	-	2.2
Share of non-controlling interests in current PBT	0.2	-5.7	-5.5	0.3	-7.2	-6.9
Current PBT, Group's share	**52.5**	**104.7**	**157.2**	**47.1**	**130.5**	**177.6**
From current PBT, Group's share, to current PAT, Group's share:						
Current PBT, Group's share	52.5	104.7	157.2	47.1	130.5	177.6
Share of the group in tax on current result of equity accounted entities	-1.8	-	-1.8	-2.2	-	-2.2
Current tax, Group's share	-1.0	-28.7	-29.7	-1.9	-37.4	-39.3
Current PAT, Group's share	**49.7**	**76.0**	**125.7**	**43.0**	**93.1**	**136.1**

Comments related to the cash flow statement

The line "Acquisition of subsidiaries" for the year ended 31 December 2014 included, among other transactions, the business combinations disclosed in note 12.

In 2014, the line "Acquisition of non-controlling interest" included the cash inflow arising from the price adjustment received from a senior non-executive member of the Belron founding family in relation to the put options he exercised in March 2013 (see note 32 of the 2013 annual consolidated financial statements). In the prior period, this line included the cash outflow arising from the price paid in relation with this above mentioned transaction.

In 2014, in the Vehicle Glass segment, the line "Other non-cash items" included, among other amounts, the restructuring provision recognised at year-end (see above (k)).

In 2013, the inter-segment loan represented amounts lent by the Automobile Distribution segment to the Vehicle Glass segment, at arm's length conditions. This inter-segment loan was repaid in 2013 at the occasion of the refinancing of the Vehicle Glass segment (see note 31 – loan notes issued in September 2013).

In the Automobile Distribution segment, the variation of certain lines of the statement of financial position between 31 December 2014 and 31 December 2013 is explained by the impact of the business combinations performed during the first half of the year 2014 (see note 12 for more information).

NOTE 10: EARNINGS PER SHARE

Earnings per share ("EPS") are shown above on the face of the consolidated statement of profit or loss. Earnings per share for continuing operations ("Continuing EPS") are equal to EPS and are therefore not disclosed.

Basic and diluted EPS are based on the result for the period attributable to equity holders of the Parent, 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). Current EPS and current continuing EPS, which do not include unusual items and re-measurements as defined in note 9, are presented to highlight underlying trading performance.

The weighted average number of ordinary shares in issue for the period is shown in the table below.

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

The options over ordinary shares of the Parent increased the weighted average number of shares of the Parent in 2013 and 2014 as some option exercise prices were below the market share price. These options are dilutive.

NOTE 10: EARNINGS PER SHARE (continued)

The computation of basic and diluted EPS is set out below:

		2014	2013
Result for the period attributable to equity holders		-11.1	114.0
Adjustment for participating shares		0.1	-1.3
Numerator for EPS (EUR million)	(a)	-11.0	112.7
Current result for the period attributable to equity holders		125.7	136.1
Adjustment for participating shares		-1.4	-1.6
Numerator for current EPS (EUR million)	(b)	124.3	134.5
Result from continuing operations		-14.6	118.0
Share of non-controlling interests in result from continuing operations		3.5	-4.0
Result from continuing operations attributable to equity holders		-11.1	114.0
Adjustment for participating shares		0.1	-1.3
Numerator for continuing EPS (EUR million)	(c)	-11.0	112.7
Current result from continuing operations		129.6	140.9
Share of non-controlling interests in current result from continuing operations		-3.9	-4.8
Current result from continuing operations attributable to equity holders ("Current PAT, Group's share" as defined in note 9)		125.7	136.1
Adjustment for participating shares		-1.4	-1.6
Numerator for current continuing EPS (EUR million)	(d)	124.3	134.5
Weighted average number of ordinary shares outstanding during the period	(e)	54,349,038	54,409,660
Adjustment for stock option plans		107,722	166,027
Weighted average number of ordinary shares taken into account for diluted EPS	(f)	54,456,760	54,575,687
Result for the period attributable to equity holders			
Basic EPS (EUR)	**(a)/(e)**	**-0.20**	**2.07**
Diluted EPS (EUR)	**(a)/(f)**	**-0.20**	**2.06**
Basic current EPS (EUR)	(b)/(e)	2.29	2.47
Diluted current EPS (EUR)	(b)/(f)	2.28	2.46

NOTE 11: GOODWILL

EUR million	2014	2013
Gross amount at 1 January	1,061.0	1,046.2
Accumulated impairment losses at 1 January	-4.1	-4.1
Carrying amount at 1 January	**1,056.9**	**1,042.1**
Additions	6.5	47.2
Increase/(Decrease) arising from put options granted to non-controlling shareholders (see note 33)	-7.6	-6.8
Impairment losses	-98.4	-
Adjustments	-6.1	-10.0
Translation differences	14.4	-15.6
Carrying amount at 31 December	**965.7**	**1,056.9**
of which: gross amount	*1,068.2*	*1,061.0*
accumulated impairment losses	*-102.5*	*-4.1*

The additions arising from business combinations that occurred in the period are detailed in note 12.

The decrease arising from put options comprises the movement of goodwill recognised at year end to reflect the change in the exercise price of the remaining options granted to non-controlling shareholders and the carrying value of non-controlling interest to which they relate (see note 33). The adjustments result from subsequent changes in the fair value of the net assets in relation to the acquisitions performed in 2013 by both segments (see note 12).

The allocation of goodwill to cash-generating units is set out below (the allocation of other intangible assets with indefinite useful lives is set out in note 13):

EUR million	2014	2013
Automobile Distribution	**9.9**	**8.3**
Vehicle Glass		
United Kingdom	15.5	103.9
France	70.7	70.7
Italy	74.1	73.7
Germany	47.8	47.8
Canada	73.7	71.9
Holland	29.1	29.1
Belgium	27.1	27.1
Australia	26.9	26.9
United States	147.5	138.0
Spain	26.7	24.1
Norway	7.8	7.9
New Zealand	6.4	6.4
Greece	0.2	0.2
Sweden	7.8	7.4
Switzerland	2.1	2.1
Portugal	1.5	1.2
Denmark	5.2	5.2
Brazil	18.1	18.5
China	-	8.5
Russia	5.5	7.6
Turkey	3.4	4.1
Austria	0.3	0.3
Ireland	0.1	0.1
Hungary	0.4	0.4
Total of cash-generating units at the level of Belron	597.9	683.1
Allocated at the Vehicle Glass segment as a whole	357.9	365.5
Subtotal Vehicle Glass	**955.8**	**1,048.6**
GROUP	**965.7**	**1,056.9**

NOTE 11: GOODWILL (continued)

Goodwill is monitored at the operating segment level for business combinations and transactions performed by the Parent and at the country level for business combinations performed by Belron s.a. and its subsidiaries.

The goodwill allocated to the Vehicle Glass segment as a whole comes from the acquisition of Belron by the Group in 1999, from the transactions entered into with the non-controlling shareholders of Belron since 1999, and from the recognition of the put options granted to non-controlling shareholders of Belron following the introduction of IAS 32 from 1 January 2005 onwards (see note 33).

In accordance with the requirements of IAS 36 “Impairment of Assets”, the Group completed a review of the carrying value of goodwill and of the other intangible assets with indefinite useful lives (see note 13) as at each year end. The impairment review, based on the value in use calculation, was carried out to ensure that the carrying value of the Group’s assets are stated at no more than their recoverable amount, being the higher of fair value less costs to sell and value in use.

The Vehicle Glass segment completed this review for each of its cash-generating units (being the different countries where it operates). In 2014, this review has led to a goodwill impairment charge of EUR 89.0 million in relation to the UK cash-generating unit. The impairment charge was primarily driven by lower cash flows reflecting the exceptionally challenging market conditions in the country. The recoverable amount of UK assets (post impairment) is viewed as being equal to the value in use. There was also a goodwill impairment charge of EUR 9.4 million in relation to the China cash-generating unit, reflecting the full write-down of the goodwill. The future business model for China remains uncertain and at this point whilst the feasibility of operating in this market is explored it is not possible to project positive cash flows with any certainty. Both impairment charges are presented as a re-measurement in the operating result (see note 9). In 2013, this review had led to no impairment in any of the cash-generating units.

In determining the value in use of each cash-generating unit, the Vehicle Glass segment calculated the present value of the estimated future cash flows expected to arise from the continuing use of the assets using a specific pre-tax discount rate reflecting the risk profile of the identified cash-generating unit. This pre-tax discount rate is based upon the weighted average cost of capital of each cash-generating unit with appropriate adjustment for the relevant risks associated with the businesses and with the underlying country (“country risk premium”). Estimated future cash flows are based on projected long-term plans approved by management for each cash-generating unit, with extrapolation thereafter (terminal value) based on a long-term average growth rate. This growth rate is set at 2% (2013: 2%) for all the cash-generating units. The projected long-term plans cover a five-year period, except for Brazil, China, Russia and Turkey where a period of up to thirteen years was used due to the very recent entry of the Vehicle Glass segment in these emerging countries and their high growth potential. Together, these countries represent a total goodwill of EUR 27 million, not significant at Group level.

The pre-tax discount rates applied to the cash flow projections for the major cash-generating units are:

Pre-tax discount rate	2014	2013
United Kingdom	8.2%	9.6%
France	7.9%	9.9%
Italy	9.1%	12.0%
Germany	7.2%	9.4%
Canada	8.1%	9.4%
Holland	6.5%	8.4%
Belgium	7.9%	9.9%
Australia	9.7%	11.6%
United States	9.7%	11.1%
Spain	9.3%	12.6%
China	11.0%	12.4%
Brazil	25.6%	25.2%
Greece	19.5%	23.5%
Others	from 6.3% to 23.8%	from 7.2% to 19.6%

The Board of Directors of the Parent also reviewed the carrying amount of its investment in Belron. In determining the value in use, the Parent calculated the present value of the estimated future cash flows expected to arise, based on Belron’s latest five years plan reviewed by the Board of Directors, with extrapolation thereafter (terminal growth rate of 2% in 2014 and 2013). The discount rate applied (pre-tax rate of 7.8% in 2014 and of 9.6% in 2013) is based upon the weighted average cost of capital of the Vehicle Glass segment. The Board of Directors of the Parent is satisfied that the carrying amount of the Vehicle Glass cash-generating unit is stated at no more than its value in use.

NOTE 11: GOODWILL (continued)

Key assumptions of the financial projections in supporting the value of goodwill and intangible assets with indefinite useful lives include revenue growth rates, operating margins, long-term growth rates and segment share. A set of financial projections were prepared for each cash-generating unit, starting with the budget numbers for 2015. For 2016 and following, an assumption of no market growth or decline has been made in the developed markets and of continued market growth in emerging markets. An assumption of stable or increasing margins has been made in line with the revenue growth assumptions. The assumptions on revenue growth are consistent with historical long-term trends.

Future cash flows are estimates that may be revised in future periods as underlying assumptions change. Should the assumptions vary adversely in the future, the value in use of goodwill and intangible assets with indefinite useful lives may reduce below their carrying amounts. Based on current valuations, headroom appears to be sufficient for most cash-generating units to comfortably absorb a normal variation in the underlying assumptions, except for the United Kingdom and Brazil where headroom is tighter.

Additional impairment charge Group's share in EUR million	**United Kingdom**	**Brazil**	**Total**
Decrease in margins of 50 basis points	-20.7	-0.7	-21.3
Increase in the discount rate of one percentage point	-17.3	-0.9	-18.2
Decrease in the long-term growth rate of one percentage point	-8.2	-	-8.2

At year end, the carrying value of Brazil is supported by the latest long term financial projections. However, given the market context in that country, the predictability of key assumptions is low and these may evolve significantly favorably or un-favorably in the future. As a result and taking into account the fact that the carrying amount of Brazilian assets is close to their recoverable amount, there is a risk that these assets may be impaired in the future. At year-end, the net book value of non-current assets (including goodwill) amounts to EUR 26 million and represents the maximum exposure to future potential impairment charge.

NOTE 12: BUSINESS COMBINATIONS

During the period, the Group made the following acquisitions:

- On 1 January 2014, Belron acquired the assets of António Fernandes da Silva & Filhos, Lda., a fitting business in Portugal.
- On 2 January 2014, Belron acquired the assets of Fernando Miguel Granadino Gonzalez, a fitting business in Spain.
- On 7 January 2014, Belron acquired the assets of Chiclana Glass S.L., a fitting business in Spain.
- On 15 January 2014, Belron acquired the assets of Vidre Cotxe Gava S.L., a fitting business in Spain.
- On 23 January 2014, the Automobile Distribution segment acquired 100% of the shares of Beerens n.v., and the real estate of two of its dealerships, which operates dealerships distributing the Volkswagen group's makes in Belgium.
- On 10 February 2014, Belron acquired the assets of Vakirtzis Mixalis, a fitting business in Greece.
- On 19 March 2014, Belron acquired the assets of Markas Brothers General Partnership, a fitting business in Greece.
- On 31 March 2014, Belron acquired the assets of Nova Scotia Ltd., a fitting business in Canada (independently owned former Apple® franchisee).
- On 22 May 2014, the Automobile Distribution segment acquired 100% of the shares of Autobedrijf Y&N Claessens b.v.b.a. and of Quattro'to n.v which operate dealerships distributing the Volkswagen group's makes in Belgium.
- On 31 May 2014, Belron acquired the assets of Laminados Aliaga S.L., a fitting business in Spain.
- On 31 May 2014, Belron acquired 100% of the shares of City Glass Cristaleria del Automovil S.L., a fitting business in Spain.
- On 31 May 2014, Belron acquired 100% of the shares of Glass Movil S.L., a fitting business in Spain.
- On 10 June 2014, Belron acquired the assets of Teriör AB, a fitting business in Sweden.
- On 29 August 2014, Belron acquired the assets of Eriksbergs Glas AB, a fitting business in Sweden.
- On 31 October 2014, Belron acquired the assets of Santa Fe Auto Glass, a fitting business in the United States.
- On 28 November 2014, Belron acquired 100% of the shares of Lang's Glass (Richmond) Ltd, a fitting business in Canada.

The additional revenue arising subsequent to these acquisitions amounts approximately to EUR 29 million (approximately EUR 44 million if they had occurred on the first day of the period). The results arising subsequent to these acquisitions (even if they had occurred on the first day of the period) are not considered material to the Group and accordingly are not disclosed separately.

NOTE 12: BUSINESS COMBINATIONS (continued)

The details of the net assets acquired, goodwill and consideration of the acquisitions are set out below:

EUR million	***Automobile Distribution***	***Vehicle Glass***	**Total provisional fair value (1)**
Other intangibles	*0.1*	*0.2*	0.3
Property, plant & equipment	*19.7*	*0.3*	20.0
Inventories	*14.5*	*0.2*	14.7
Trade and other receivables	*7.5*	*0.1*	7.6
Cash and cash equivalents	*6.0*	-	6.0
Non-current loans and borrowings	*-4.6*	-	-4.6
Deferred tax liabilities	*-1.7*	-	-1.7
Current loans and borrowings	*-6.4*	-	-6.4
Current tax liabilities	*-0.1*	-	-0.1
Trade and other payables	*-10.7*	*-0.2*	-10.9
Net assets acquired	***24.3***	***0.6***	**24.9**
Non-controlling interests			-
Goodwill (see note 11)			6.5
CONSIDERATION			**31.4**
Consideration satisfied by:			
Cash payment			29.5
Estimation of fair value of the deferred consideration payable in the future			1.4
Contingent consideration			0.5
			31.4

(1) The fair values are provisional since the integration process of the acquired entities and businesses is still ongoing.

The goodwill recognised above reflects the expected synergies and other benefits resulting from the combination of the acquired activities with those of the Automobile Distribution and Vehicle Glass segments.

The fair value of the trade and other receivables amounts to EUR 7.6 million and it is expected that the full amount can be collected.

The goodwill on the 2013 acquisitions was decreased by EUR 6.1 million reflecting fair value adjustments made to the initial valuations disclosed in note 12 of the 2013 Consolidated Financial Statements. This decrease of the 2013 goodwill mainly reflects the increase in the fair value of the net assets acquired (EUR 7.6 million of which EUR 5.2 million are related to the recognition of intangible assets with finite useful lives).

NOTE 13: OTHER INTANGIBLE ASSETS

Goodwill is analysed in note 11. All other intangible assets have finite useful lives, unless otherwise specified.

EUR million	Other licenses and similar rights	Brands (with finite and indefinite useful lives)	Customer contracts	Computer software	Other	Total
Gross amount at 1 January 2014	0.4	349.1	68.5	190.0	3.8	611.8
Accumulated amortisation and impairment losses at 1 January 2014	-0.4	-23.4	-44.1	-107.5	-1.9	-177.3
Carrying amount at 1 January 2014	**-**	**325.7**	**24.4**	**82.5**	**1.9**	**434.5**
Additions:						
Items separately acquired	-	-	-	37.6	-	37.6
Disposals	-	-	-	-0.2	-	-0.2
Amortisation	-	-1.5	-10.1	-23.8	-1.3	-36.7
Transfer from (to) another caption	-	0.5	4.7	-	-	5.2
Items acquired through business combinations	-	-	0.2	0.1	-	0.3
Translation differences	-	11.3	2.2	3.7	-	17.2
Carrying amount at 31 December 2014	**-**	**336.0**	**21.4**	**99.9**	**0.6**	**457.9**
of which: gross amount	*0.4*	*361.9*	*81.1*	*234.1*	*4.0*	*681.5*
accumulated amortisation and impairment losses	*-0.4*	*-25.9*	*-59.7*	*-134.2*	*-3.4*	*-223.6*
Gross amount at 1 January 2013	0.4	348.7	64.2	170.2	0.3	583.8
Accumulated amortisation and impairment losses at 1 January 2013	-0.4	-22.5	-36.7	-93.7	-0.3	-153.6
Carrying amount at 1 January 2013	**-**	**326.2**	**27.5**	**76.5**	**-**	**430.2**
Additions:						
Items separately acquired	-	-	-	30.4	-	30.4
Disposals	-	-	-	-0.1	-	-0.1
Amortisation	-	-1.2	-9.0	-21.8	-1.9	-33.9
Transfer from (to) another caption	-	1.4	3.2	-	3.8	8.4
Items acquired through business combinations	-	2.7	3.8	0.2	-	6.7
Translation differences	-	-3.4	-1.1	-2.7	-	-7.2
Carrying amount at 31 December 2013	**-**	**325.7**	**24.4**	**82.5**	**1.9**	**434.5**
of which: gross amount	*0.4*	*349.1*	*68.5*	*190.0*	*3.8*	*611.8*
accumulated amortisation and impairment losses	*-0.4*	*-23.4*	*-44.1*	*-107.5*	*-1.9*	*-177.3*

In 2014, the transfer from another caption is related to the fair value adjustments made to the initial valuations of the 2013 business combinations, with the recognition of intangible assets with finite useful lives.

In the Vehicle Glass segment, the brands CARGLASS® and AUTOGLASS®, acquired in 1999, as well as SAFELITE® AUTO GLASS acquired in 2007, have indefinite useful lives, since, thanks to the marketing spend and advertising made, there is no foreseeable limit to the period over which these assets are expected to generate net cash inflows for the Group. The following brands are not considered to have indefinite useful lives, since there is a limit to the period over which they are expected to generate cash inflows. They are therefore amortised on their remaining useful life on a straight-line basis.

- Giant Glass acquired in 2012 – Fully amortised by 2017;
- Windshield World, Klein Dickert and Southern Glass acquired in 2012 – Fully amortised by 2015;
- Doctor Glass acquired in 2013 – Fully amortised by 2016;
- Royal Glass and Michigan Mobile acquired in 2013 – Fully amortised by 2016;
- Guardian Glass acquired in 2013 – Fully amortised by 2015.

The 2014 amortisation (in commercial and administrative expenses) amounted to EUR 1.5 million (2013: EUR 1.2 million). The carrying value of the brands with a finite useful life at 31 December 2014 amounted to EUR 2.1 million (2013: EUR 3.0 million), whilst the carrying amount of brands with indefinite useful life amounted to EUR 333.9 million (2013: EUR 322.7 million). The increase in brands with indefinite useful life reflects foreign currency revaluation as at 31 December 2014.

NOTE 13: OTHER INTANGIBLE ASSETS (continued)

The allocation of brands (with indefinite useful lives) to cash-generating units in the Vehicle Glass segment is set out below:

EUR million	2014	2013
United Kingdom	67.9	67.9
France	61.9	61.9
Germany	34.8	34.8
Holland	24.2	24.2
Belgium	18.1	18.1
Canada	15.3	15.3
United States	99.4	88.2
Spain	9.1	9.1
Portugal	2.9	2.9
Italy	0.3	0.3
Carrying amount of brands	**333.9**	**322.7**

The other disclosures required by IAS 36 for intangible assets with indefinite useful lives are provided in note 11.

NOTE 14: HELD-TO-MATURITY INVESTMENTS

In the Automobile Distribution segment, held-to-maturity financial assets for a total amount of EUR 176.1 million (2013: EUR 298.1 million) comprise long-term (nil in 2014; 2013: EUR 9.7 million) and short-term investments (2014: EUR 176.1 million; 2013: EUR 288.4 million) in corporate commercial papers and sovereign debts with high credit ratings. These investments have been building up notably with the proceeds of the sale of the Avis Europe shares and with the net cash inflow arising from the set-up of Volkswagen D'Ieteren Finance (VDFin) and the contribution to VDFin of all the D'Ieteren Lease shares. The decrease during the period is partly due to the reimbursement in December 2014 of a bond of EUR 150.0 million (see note 31).

In the prior period, the fair value of non-current held-to-maturity investments amounted to EUR 9.9 million. The fair value of current held-to-maturity investments approximates their carrying amount.

NOTE 15: PROPERTY, PLANT AND EQUIPMENT

EUR million	Property	Plant and equipment	Assets under construction	Total
Gross amount at 1 January 2014	426.1	667.5	9.5	1,103.1
Accumulated depreciation and impairment losses at 1 January 2014	-208.3	-436.6	-	-644.9
Carrying amount at 1 January 2014	**217.8**	**230.9**	**9.5**	**458.2**
Additions	25.7	79.0	16.5	121.2
Disposals	-3.2	-3.9	-5.0	-12.1
Depreciation	-21.2	-72.1	-0.8	-94.1
Impairment (see note 9)	-2.1	-	-	-2.1
Transfer from (to) another caption	-0.3	2.9	-6.7	-4.1
Items acquired through business combinations	15.1	4.9	-	20.0
Translation differences	5.9	12.9	-	18.8
Carrying amount at 31 December 2014	**237.7**	**254.6**	**13.5**	**505.8**
of which: gross amount	*462.0*	*764.1*	*13.5*	*1,239.6*
accumulated depreciation and impairment losses	*-224.3*	*-509.5*	*-*	*-733.8*
Gross amount at 1 January 2013	410.0	648.9	5.4	1,064.3
Accumulated depreciation and impairment losses at 1 January 2013	-193.2	-414.7	-	-607.9
Carrying amount at 1 January 2013	**216.8**	**234.2**	**5.4**	**456.4**
Additions	15.3	75.2	7.6	98.1
Disposals	-0.9	-5.0	-	-5.9
Depreciation	-21.0	-69.5	-0.8	-91.3
Transfer from (to) another caption	2.4	0.9	-2.7	0.6
Items acquired through business combinations	9.0	3.2	-	12.2
Translation differences	-3.8	-8.1	-	-11.9
Carrying amount at 31 December 2013	**217.8**	**230.9**	**9.5**	**458.2**
of which: gross amount	*426.1*	*667.5*	*9.5*	*1,103.1*
accumulated depreciation and impairment losses	*-208.3*	*-436.6*	*-*	*-644.9*

In 2014, the transfers from (to) another caption are related to the fair value adjustments made to the initial valuations of the 2013 business combinations and to the presentation as non-current assets classified as held for sale (see note 23) of buildings previously used for automobile distribution activities.

At 31 December 2014 and at 31 December 2013, assets under construction included property under construction in the Automobile Distribution segment.

Assets held under finance leases (mainly vehicles) are included in the above at the following amounts:

EUR million	Property	Plant and equipment	Assets under construction	Total
31 December 2014	**-**	**51.4**	**-**	**51.4**
31 December 2013	-	48.7	-	48.7

NOTE 16: INVESTMENT PROPERTY

EUR million	2014	2013
Gross amount at 1 January	12.8	12.7
Accumulated depreciation at 1 January	-8.0	-7.6
Carrying amount at 1 January	**4.8**	**5.1**
Additions	2.2	0.1
Depreciation	-0.4	-0.4
Transfer from (to) another caption	0.1	-
Carrying amount at 31 December	**6.7**	**4.8**
of which: gross amount	*14.7*	*12.8*
accumulated depreciation	*-8.0*	*-8.0*
Fair value	18.7	10.1

The fair value is supported by market evidence, and is based on a valuation by an independent valuer who holds a recognised and relevant professional qualification, and who has recent experience in the location and category of the investment property held by the Group. The latest valuations were performed in March 2014.

All items of investment property are located in Belgium and are held by the Automobile Distribution segment.

See also notes 5 and 38 for other disclosures on investment property.

NOTE 17: AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (i) loans and receivables, (ii) held-to-maturity investments or (iii) financial assets held for trading.

EUR million	2014		2013	
	Carrying amount	Fair value	Carrying amount	Fair value
Sundry	0.5	0.5	0.5	0.5
Total available-for-sale financial assets	**0.5**	**0.5**	**0.5**	**0.5**

In 2014 and 2013, available-for-sale financial assets comprise non-controlling interests in non-listed companies (measured at cost, being an approximation of their fair value) held by the Automobile Distribution segment. They are considered as non-current assets, and are not expected to be realised within 12 months. However, some or all of them could be disposed of in the near future, depending on opportunities.

NOTE 18: DERIVATIVE HEDGING INSTRUMENTS

Derivative hedging instruments are derivatives that meet the strict criteria of IAS 39 for application of hedge accounting. They provide economic hedges against risks faced by the Group (see note 38).

Derivative hedging instruments are classified in the statement of financial position as follows:

EUR million	2014	2013
Current assets	1.5	0.6
Current liabilities	-0.1	-0.1
Net derivative hedging instruments	**1.4**	**0.5**

Derivative hedging instruments are analysed as follows:

EUR million	2014	2013
Forward foreign exchange contracts (non-debt derivatives)	1.4	0.5
Net derivative hedging instruments	**1.4**	**0.5**

NOTE 18: DERIVATIVE HEDGING INSTRUMENTS (continued)

In 2014 and in 2013, all derivative hedging instruments belong to the Vehicle Glass segment.

- Forward foreign exchange contracts were used to hedge the cost of future payables where those payables are denominated in a currency other than the functional currency of the purchasing entity. The hedging instruments are primarily used to hedge material purchases in Australian Dollars and US Dollars. These contracts qualify for hedge accounting and are classified as cash flow hedges. These will occur within one year of the date of the consolidated statement of financial position and are expected to impact the consolidated statement of profit or loss during the same year. The total notional amount of these contracts is EUR 23.2 million equivalent (2013: EUR 32.2 million) and the total fair value designated as effective cash flow hedges is an asset of EUR 1.4 million (2013: an asset of EUR 0.5 million). The amount released from equity (2014: gain of EUR 1.4 million; 2013: gain of EUR 0.4 million) during the period is included in the initial costs of inventories.
- As part of its net investment hedge policy, the Vehicle Glass segment also used currency denominated borrowings to hedge its exposure of a proportion of its non-EUR denominated net assets against changes in value due to changes in foreign exchange rates. The carrying value of these borrowings is EUR 536.9 million (2013: EUR 420.0 million).

The non-current portion of the derivative hedging instruments is expected to be settled after more than 12 months; the current portion within 12 months.

The fair values are determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions at the balance sheet date. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance sheet date.

The notional principal amounts of the outstanding derivative hedging instruments are as follows:

EUR million	2014	2013
Forward foreign exchange contracts (non-debt derivatives)	23.2	32.2

NOTE 19: DERIVATIVES HELD FOR TRADING

Derivatives held for trading are derivatives that do not meet the strict criteria of IAS 39 for application of hedge accounting. They however provide economic hedges against risks faced by the Group (see note 38).

Derivatives held for trading are classified in the statement of financial position as follows:

EUR million	2014	2013
Current assets		
Debt derivatives		
Interest rate swaps	4.2	5.9
Non-debt derivatives		
Fuel hedge instruments	-	1.5
Subtotal	**4.2**	**7.4**
Non-current liabilities		
Debt derivatives		
Interest rate swaps	-2.7	-14.1
Subtotal	**-2.7**	**-14.1**
Current liabilities		
Debt derivatives		
Interest rate swaps	-0.6	-0.2
Forward foreign exchange contracts	-	-1.1
Non-debt derivatives		
Fuel hedge instruments	-7.6	-
Subtotal	**-8.2**	**-1.3**
NET DERIVATIVES HELD FOR TRADING	**-6.7**	**-8.0**

In the Vehicle Glass segment, a combination of options, collars and swaps (collectively “fuel hedge instruments”) was used to hedge the price of fuel purchases. The fair value of fuel hedge instruments 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 forward futures curve for gasoline given the volume hedged and the contract period. In the prior period, forward foreign exchange contracts were also used to match currency inflows and outflows and to swap currency balances to minimise cash pooling interest.

In 2014 and in 2013, cross currency interest rate swaps were used in the Vehicle Glass segment to hedge the future US Dollar denominated cash flows of certain US loan notes. In accordance with IFRS 13 “Fair Value Measurement” the carrying amount of these instruments as at 31 December 2014 has been increased by EUR 0.3 million (2013: reduced by EUR 1.6 million).

The fair values are determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are 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 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 forward rate agreements is calculated as the present value of future estimated cash flows.

The notional principal amounts of the outstanding derivatives held for trading are as follows:

EUR million	2014	2013
Interest rate swaps	360.3	350.3
Forward foreign exchange contracts and options	-	78.3
"Fuel hedge instruments"	18.9	21.7

NOTE 20: EMPLOYEE BENEFITS

Long-term employee benefits include post-employment employee benefits and other long-term employee benefits. Post-employment employee benefits are analysed below. Other long-term employee benefits are presented among non-current provisions or non-current other payables, and, if material, separately disclosed in the relevant note.

Post-employment benefits are limited to retirement benefit schemes. Where applicable, Group entities contribute to the relevant state pension schemes. Certain Group entities operate schemes which provide retirement benefits, including those of the defined benefit type, which are in most cases funded by investments held outside the Group. The disclosures related to defined contribution schemes are provided in note 36.

The Group has established pension schemes for its employees in various locations. The major schemes are located in Belgium, the United Kingdom, the Netherlands, Canada and the United States. The schemes in Belgium relate to the Automobile Distribution segment and are funded and unfunded. All the others concern the Vehicle Glass segment and are mainly funded. Independent actuarial valuations for the plans in these countries are performed as required. The Group is and has always been fully compliant with all local governance and funding requirements.

The overall investment policy and strategy for the Group's defined benefit schemes is guided by the objective of achieving an investment return, which together with contributions, ensures that there will be sufficient assets to pay pension benefits as they fall due while also mitigating the various risks of the plans. The investment strategies for the plans are managed under local laws and regulations in each jurisdiction. The actual asset allocation is determined by the current and expected economic and market conditions and in consideration of specific asset class risk and risk profile. In addition consideration is given to the maturity profile of scheme liabilities. With the exception of the scheme in the Netherlands, there are no asset-liability matched assets. The decision to purchase any asset-liability matched assets would be independently determined by the responsible governance body in each country.

The Group operates one defined benefit scheme in Belgium that was closed to new members in 2005. The retirement capital plan accrues a percentage of annual salary inflated to the point of retirement subject to a maximum of 4.0%. A full actuarial valuation of the plan was carried out in December 2013 by a qualified independent actuary. Full IAS19 measurements are carried out every three years and roll-forwards are performed in the meantime.

The Group operates one defined benefit scheme in the United Kingdom that was closed to new members in 2003 and 2011. The retirement capital plan accrues a percentage of annual salary inflated to the point of retirement subject to a maximum of 5%. A full actuarial valuation of the UK Plan was carried out as at 31 March 2014 and updated to 31 December 2014 by a qualified independent actuary. Funding valuations are carried out every three years which determine the contribution requirement to the Plan. The pension plan is governed by a set of trustees, some of who are appointed by the Group and some by the members.

The Group operates several defined benefit schemes in Canada. Two of these plans are closed to new members. The last full actuarial valuations of all these plans were last carried out as at 31 December 2013. All of these valuations were updated to 31 December 2014 by a qualified independent actuary. A full valuation of the plans is carried out every three years.

The Group operates one defined benefit arrangement in the Netherlands. Up to 1 January 2006 a final pay pension plan was in place. Pension rights accrued under this scheme are held through a contract with the insurance company. Since 1 January 2006 an average pay plan is in place and the employer has a contract with an insurance company to cover the new plan pension benefits. An actuarial valuation of the Dutch plan was carried out as at 31 December 2014 for the purpose of the accounts by a qualified independent actuary. A full valuation of the Plan assets and liabilities is performed every year.

The Group operates one defined benefit scheme in the United States, closed to future accrual. A full valuation was carried out by a qualified independent actuary on 31 December 2013. This was updated to the 31 December 2014 by a qualified independent actuary. The pension plan is governed by a retirement plan committee all of whom are appointed by the Group. A full valuation of the Plan assets and liabilities is performed every year.

The Group recognises all actuarial gains and losses directly in Consolidated Statement of Comprehensive Income.

NOTE 20: EMPLOYEE BENEFITS (continued)

The main actuarial assumptions are as follows (ranges are provided given the plurality of schemes operated throughout the Group):

	Funded schemes				Unfunded schemes			
	2014		2013		2014		2013	
	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
Inflation rate	1.5%	3.2%	2.0%	3.5%	n.s.	n.s.	2.0%	2.0%
Discount rate	1.4%	3.7%	2.6%	4.7%	n.s.	n.s.	0.2%	2.9%
Rate of salary increases	1.0%	4.9%	1.0%	5.2%	2.4%	2.4%	2.1%	2.1%
Rate of pension increases	1.5%	3.1%	2.0%	3.5%	0.3%	0.3%	0.2%	0.2%
Life expectancy of male pensioner	21.1	22.9	21.1	23.4				
Life expectancy of female pensioner	23.7	26.3	22.9	26.3				
Life expectancy of male non-pensioner	39.8	44.6	40.0	45.2				
Life expectancy of female non-pensioner	43.5	46.3	42.3	47.0				

The weighted average duration of the liabilities across the plans ranges from 9 to 22 years.

The amounts recognised in the statement of financial position are summarised as follows:

EUR million	2014	2013
Long-term employee benefit assets	40.9	34.2
Long-term employee benefit obligations	-60.3	-27.2
Recognised net deficit (-) / surplus (+) in the schemes	**-19.4**	**7.0**
of which: amount expected to be settled within 12 months	*-0.8*	*-0.7*
amount expected to be settled in more than 12 months	*-18.6*	*7.7*

The amounts recognised in the statement of financial position are analysed as follows:

EUR million	2014			2013		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Present value of defined benefit obligations	-579.3	-8.1	-587.4	-463.3	-4.4	-467.7
Fair value of scheme assets	568.0	-	568.0	477.9	-	477.9
Net deficit (-) / surplus (+) in the schemes	**-11.3**	**-8.1**	**-19.4**	**14.6**	**-4.4**	**10.2**
Asset ceiling restriction	-	-	-	-3.2	-	-3.2
Net deficit (-) / surplus (+) in the schemes	**-11.3**	**-8.1**	**-19.4**	**11.4**	**-4.4**	**7.0**

The asset ceiling restriction in 2013 applied to the scheme in Canada and was due to committed funding requirements for past service. The legislators enacted legislation which allowed a plan sponsor to use a letter of credit in order to cover solvency special payments up to a limit of 15% of the solvency liabilities. The actual intent to use a letter of credit was not important, but instead the ability to avoid solvency contributions which would allow entities to ignore solvency special payments in IFRIC 14 “The Limit on a Defined Benefit Asset - Minimum Funding Requirements” calculations. However, solvency special payments in excess of the limit had to be included in IFRIC 14 calculations, which was the case as at 31 December 2013. As a result of the change in actuarial assumptions, the asset ceiling restriction was reversed in 2014.

NOTE 20: EMPLOYEE BENEFITS (continued)

The amounts recognised through the statement of comprehensive income are as follows:

EUR million	2014			2013		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Actual return less interest return on pension assets net of asset management charges	34.0	-	34.0	40.4	-	40.4
Asset ceiling restriction	3.2	-	3.2	-3.2	-	-3.2
Experience gain (+) / loss (-) on liabilities	16.7	-	16.7	-10.6	-	-10.6
Gain (+) / Loss (-) on change of financial assumptions	-85.5	-0.4	-85.9	-21.8	-	-21.8
Gain (+) / Loss (-) on change of demographic assumptions	1.1	-	1.1	-2.3	-	-2.3
Actuarial gains (+) / losses (-)	**-30.5**	**-0.4**	**-30.9**	**2.5**	**-**	**2.5**

The fair value of scheme assets includes the following items:

EUR million	2014			2013		
	Quoted in an active market	Other	Total	Quoted in an active market	Other	Total
Equity instruments	298.6	-	298.6	289.2	-	289.2
Government bonds	105.9	-	105.9	84.0	-	84.0
Non-government bonds	84.4	-	84.4	62.8	-	62.8
Property	-	0.1	0.1	-	0.1	0.1
Other assets	4.9	74.1	79.0	4.9	36.9	41.8
Fair value of scheme assets	**493.8**	**74.2**	**568.0**	**440.9**	**37.0**	**477.9**

The fair value of scheme assets does not comprise any property or other assets used by the Group, nor any financial instruments of the Group. All equity and debt instruments have quoted prices in active markets and are of high investment quality. Other assets are mainly composed of cash and of asset-liability matched insurance backed assets (related to the scheme in the Netherlands).

The movements in the fair value of plan assets are as follows:

EUR million	2014			2013		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Scheme assets at 1 January	**477.9**	**-**	**477.9**	**425.6**	**-**	**425.6**
Interest on pension assets	22.1	-	22.1	18.0	-	18.0
Employer contributions	16.4	-	16.4	15.6	-	15.6
Contributions paid by employees	2.6	-	2.6	3.1	-	3.1
Benefits paid	-13.8	-	-13.8	-10.1	-	-10.1
Actual return less interest return on pension assets	35.2	-	35.2	41.4	-	41.4
Costs of managing the pension assets	-1.2	-	-1.2	-1.0	-	-1.0
Administrative costs	-1.6	-	-1.6	-1.5	-	-1.5
Translation differences	30.4	-	30.4	-13.2	-	-13.2
Scheme assets at 31 December	**568.0**	**-**	**568.0**	**477.9**	**-**	**477.9**

The actual return on scheme assets is as follows:

EUR million	2014	2013
Interest return on pension assets	22.1	18.0
Actual return less interest return on pension assets	35.2	41.4
Costs of managing the pension assets	-1.2	-1.0
Actual net return on pension assets	**56.1**	**58.4**

NOTE 20: EMPLOYEE BENEFITS (continued)

The movements in the present value of defined benefit obligations are as follows:

EUR million	2014			2013		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Defined benefit obligations at 1 January	**-463.3**	**-4.4**	**-467.7**	**-424.5**	**-4.1**	**-428.6**
Current service cost	-11.1	-1.8	-12.9	-8.4	-0.6	-9.0
Interest payable on pension liabilities	-21.3	-0.3	-21.6	-17.5	-	-17.5
Contributions by employees	-2.6	-	-2.6	-3.1	-	-3.1
Past service cost	2.3	-	2.3	1.4	-	1.4
Benefits paid	13.8	2.0	15.8	10.1	0.8	10.9
Experience gain (+) / loss (-) on liabilities	16.7	-	16.7	-10.6	-	-10.6
Gain (+) / Loss (-) arising from changes to financial assumptions	-85.5	-0.4	-85.9	-21.8	-	-21.8
Gain (+) / Loss (-) arising from changes to demographic assumptions	1.1	-	1.1	-2.3	-	-2.3
Curtailment and settlements	-	-	-	0.5	-	0.5
Transfer from another caption	-	-3.2	-3.2	-	-0.5	-0.5
Translation differences	-29.4	-	-29.4	12.9	-	12.9
Defined benefit obligations at 31 December	**-579.3**	**-8.1**	**-587.4**	**-463.3**	**-4.4**	**-467.7**

In the period, transfer from another caption represents a reclassification of pension accruals (previously within creditors) following further analysis of this unfunded scheme.

The amounts recognised in the statement of profit or loss are as follows:

EUR million	2014			2013		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Current service cost	-11.1	-1.8	-12.9	-8.4	-0.6	-9.0
Past service cost (-)/gain (+)	2.3	-	2.3	1.4	-	1.4
Effect of curtailment or settlement	-	-	-	0.5	-	0.5
Administrative costs	-1.6	-	-1.6	-1.5	-	-1.5
Pension costs within the operating result	**-10.4**	**-1.8**	**-12.2**	**-8.0**	**-0.6**	**-8.6**
Interest payable on pension liabilities	-21.3	-0.3	-21.6	-17.5	-	-17.5
Interest return on pension assets	22.1	-	22.1	18.0	-	18.0
Net pension interest cost	**0.8**	**-0.3**	**0.5**	**0.5**	**-**	**0.5**
Expense recognised in the statement of profit or loss	**-9.6**	**-2.1**	**-11.7**	**-7.5**	**-0.6**	**-8.1**

Past service gains during 2014 were EUR 2.3 million (2013: EUR 1.4 million) and relate to the scheme in the Netherlands where current member benefits have been reduced in line with market practice. The curtailment gain in 2013 (EUR: 0.5 million) was due to reorganisations that took place in the United Kingdom.

The best estimate of the contributions expected to be paid to the schemes during the 2015 annual period is EUR 13 million.

The obligation of defined benefit schemes is calculated on the basis of a set of actuarial assumptions (including among others: mortality, discount rate of future payments, salary increases, personnel turnover, etc.). Should these assumptions change in the future, the obligation may increase. The defined benefit scheme assets are invested in a diversified portfolio, with a return that is likely to experience volatility in the future. Should the return of these assets be insufficient, the deficit might increase (the surplus might decrease).

NOTE 20: EMPLOYEE BENEFITS (continued)

The following table presents a sensitivity analysis for each significant actuarial assumption showing how the defined benefit obligation at 31 December 2014 would have been affected by changes in the relevant actuarial assumption that were reasonably possible at the balance sheet date. The sensitivity analysis applies to the defined benefit obligation only and not to the net defined benefit pension liability in its entirety, the measurement of which is driven by a number of factors including, in addition to the assumptions below, the fair value of plan assets.

EUR million	(Increase) / decrease in defined benefit obligation at 31 December 2014	(Increase) / decrease in defined benefit obligation at 31 December 2013
Discount rate		
Increase by 50 basis points	58.3	47.6
Decrease by 50 basis points	-69.1	-55.4
Rate of salary increase		
Increase by 50 basis points	-8.7	-7.8
Decrease by 50 basis points	8.6	7.7
Inflation rate		
Increase by 50 basis points	-14.2	-12.4
Decrease by 50 basis points	11.6	12.3
Rate of pension increase		
Increase by 50 basis points	-30.8	-21.9
Decrease by 50 basis points	28.6	22.1
Life expectancy		
Increase in longevity by one additional year	-20.1	-14.1

The sensitivity analyses are based on a change in one assumption while holding all other assumptions constant so that interdependencies between the assumptions are excluded.

There is a pension plan in Belgium legally structured as defined contribution plan. Because of the Belgian social legislation applicable, all Belgian defined contribution plans are considered under IFRS as defined benefit plan because the employer must guarantee a minimum return on employee and employer contributions. Because of this, the Group is exposed to a financial risk (legal obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits).

The plan is insured at an insurance company. The insurance company guarantees a minimum rate of return on the contributions paid. However, the minimum guaranteed rates have dropped significantly the last years and are currently below the social minimum return borne by the employer on the contributions (according to article 24 of the Law of 28 April 2003 on occupational pensions, the Group has to guarantee an average minimum return of 3.75% on employee contributions and of 3.25% on employer contributions). The financial risk has therefore increased. However, it is likely that the social minimum return will also be decreased in the future, which will then reduce again the employer's financial risk.

The IFRS valuation and accounting of this kind of plan with contribution-based promises are not envisaged by IAS 19. The Group considers that a method based on the IAS 19 methodology ("Projected unit credit" method used for defined benefit plan) is not appropriate to measure the liability in the Belgian context. The Group has therefore decided to apply an alternative method (intrinsic value approach) until the IASB issues a final statement. This method consists in calculating the potential liability to be recognised in the statement of financial position as the sum of any individual differences between the mathematical reserves (calculated by capitalizing the past contributions at the technical interest rate applied by the insurance company, taking profit-sharing into account) and the minimum guarantee as determined by the Belgian law applicable (calculated by applying the minimum return on the contributions paid). The contributions are not projected to calculate the defined benefit obligation.

At year-end, the estimated potential impact is considered as not significant at group level and no liability has therefore been recognised.

NOTE 21: DEFERRED TAXES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The movement in deferred tax assets and liabilities during the period and the prior period is as follows:

EUR million	Revalua-tions	Depreciation amortisation write-downs	Provisions	Dividends	Tax losses available for offset	Financial instru-ments	Other	Total
Deferred tax liabilities (negative amounts)								
At 1 January 2013	-13.2	-22.7	-3.8	-	-0.1	-5.3	2.4	-42.7
Credited (charged) to income statement	-	-3.7	5.9	-1.0	0.1	3.4	-0.8	3.9
Credited (charged) to equity	-	-0.8	-	-	-	-	0.7	-0.1
Other variations	-	-2.6	-	-	-	-	-	-2.6
Exchange differences	-	3.8	-0.6	-	-	-	-0.1	3.1
At 31 December 2013	-13.2	-26.0	1.5	-1.0	-	-1.9	2.2	-38.4
Credited (charged) to income statement	-	10.8	-1.3	0.5	0.2	1.0	-2.3	8.9
Credited (charged) to equity	-	-	0.3	-	-	-	-	0.3
Other variations (see note 12)	-	-1.7	-	-	-	-	-	-1.7
Exchange differences	-	-9.6	2.0	-	-	0.3	-	-7.3
At 31 December 2014	**-13.2**	**-26.5**	**2.5**	**-0.5**	**0.2**	**-0.6**	**-0.1**	**-38.2**
Deferred tax assets (positive amounts)								
At 1 January 2013	-	-76.9	67.8	-	58.6	0.1	4.2	53.8
Credited (charged) to income statement	-	-1.8	-16.3	-	11.9	-	0.4	-5.8
Credited (charged) to equity	-	-	-2.2	-	-	-	-	-2.2
Other variations	-	-	-	-	-0.1	-	-	-0.1
Exchange differences	-	-	-1.9	-	-2.0	-	-0.2	-4.1
At 31 December 2013	-	-78.7	47.4	-	68.4	0.1	4.4	41.6
Credited (charged) to income statement	-	-17.0	6.4	-	8.8	-	0.5	-1.3
Credited (charged) to equity	-	-	1.9	-	-	-	-	1.9
Exchange differences	-	0.2	4.4	-	6.0	-0.1	0.1	10.6
At 31 December 2014	**-**	**-95.5**	**60.1**	**-**	**83.2**	**-**	**5.0**	**52.8**
Net deferred tax assets (liabilities) after offsetting recognised in the consolidated statement of financial position:								
31 December 2013	-13.2	-104.7	48.9	-1.0	68.4	-1.8	6.6	3.2
31 December 2014	**-13.2**	**-122.0**	**62.6**	**-0.5**	**83.4**	**-0.6**	**4.9**	**14.6**

The net deferred tax balance includes net deferred tax assets amounting to EUR 7.0 million (2013: EUR 5.9 million) that are expected to be reversed in the following year. However, given the low predictability of deferred tax movements, this net amount might not be reversed as originally foreseen.

At the balance sheet date, the Group has unused tax losses and credits of EUR 253.3 million (2013: EUR 239.8 million) available for offset against future profits, for which no deferred tax asset has been recognised, due to the unpredictability of future profit streams. This includes unused tax losses of EUR 18.0 million (2013: EUR 10.3 million) that will expire in the period 2017-2019 (2013: 2015-2032) and unused tax credits of EUR 35.6 million (2013: EUR 36.8 million) that will expire in the period 2017-2018 (2013: 2017-2018). Other losses may be carried forward indefinitely.

Deferred tax has not been recognised in respect of other deductible temporary differences amounting to EUR 16.5 million (2013: EUR 5.7 million) due to the unpredictability of future profit streams.

NOTE 21: DEFERRED TAXES (continued)

At the balance sheet date the aggregate amount of temporary differences associated with the investments in subsidiaries, branches, associates and interests in joint ventures (being mainly the accumulated positive consolidated reserves of these entities) for which deferred tax liabilities have not been recognised is EUR 1,126 million (2013: EUR 1,081 million). No deferred tax liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future. It should also be noted that the reversal of these temporary differences, for example by way of distribution of dividends by the subsidiaries to the Parent, would generate no (or a marginal) current tax effect.

Deferred tax assets are recognised provided that there is a sufficient probability that they will be recovered in the foreseeable future. Recoverability has been conservatively assessed. However, should the conditions for this recovery not be met in the future, the current carrying amount of the deferred tax assets may be reduced.

NOTE 22: OTHER NON-CURRENT RECEIVABLES

The other non-current receivables are composed of guarantee deposits against rental properties and of a loan granted to a minority shareholder of Belron. The loan granted to a minority shareholder is fully guaranteed by a pledge. Their carrying amount approximates their fair value. The loan granted to a minority shareholder of Belron earns interest at a rate set with reference to the prevailing EURIBOR and the other non-current receivables generally generate no interest income. They are expected to be recovered after more than 12 months.

NOTE 23: NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

In the Automobile Distribution segment, non-current assets classified as held for sale comprise buildings previously used for Automobile Distribution activities, for which the management are commited to disposal. The disposal is expected to occur in the course of 2015.

NOTE 24: INVENTORIES

EUR million	2014	2013
Automobile Distribution		
Vehicles	287.7	252.1
Spare parts and accessories	34.2	31.3
Other	1.4	1.6
Subtotal	**323.3**	**285.0**
Vehicle Glass		
Glass and related product	285.4	254.3
Subtotal	**285.4**	**254.3**
GROUP	**608.7**	**539.3**
of which: items carried at fair value less costs to sell	*68.3*	*72.2*

The items carried out at fair value less costs to sell are mainly the vehicles sold under buy-back agreements (this kind of agreement being accounted for as operating lease) that are kept on statement of financial position until their subsequent resale.

The accumulated write-down on inventories amounts to EUR 31.6 million (2013: EUR 27.1 million).

The inventories are expected to be recovered within 12 months.

NOTE 25: OTHER FINANCIAL ASSETS

In the Vehicle Glass segment, the other financial assets comprise restricted cash related to acquisitions. The other financial assets are expected to be recovered within 12 months. Their carrying amount is equal to their fair value.

EUR million	2014	2013
Vehicle Glass - Restricted cash related to acquisitions	1.8	1.6
Other financial assets	**1.8**	**1.6**

NOTE 26: CURRENT TAX ASSETS AND LIABILITIES

Current tax assets (liabilities) are largely expected to be recovered (settled) within 12 months.

NOTE 27: TRADE AND OTHER RECEIVABLES

Trade and other receivables are analysed as follows:

EUR million	2014			2013		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Trade receivables - net	110.1	164.0	274.1	122.5	174.6	297.1
Receivables from entities accounted for using the equity method	14.0	-	14.0	2.7	-	2.7
Other receivables	8.2	82.8	91.0	5.7	79.2	84.9
Trade and other receivables	**132.3**	**246.8**	**379.1**	**130.9**	**253.8**	**384.7**

The trade and other receivables are expected to be recovered within 12 months. Their carrying amount approximates their fair value, and they generate no interest income.

The Group is exposed to credit risk arising from its operating activities. Such risks are mitigated by selecting clients and other business partners on the basis of their credit quality and by avoiding as far as possible concentration on a few large counterparties. Credit quality of large counterparties is assessed systematically and credit limits are set prior to taking exposure. Payment terms are on average less than one month except where local practices are otherwise. Receivables from sales involving credit are closely tracked and collected mostly centrally in the Automobile Distribution segment, and at the country level in the Vehicle Glass segment.

In the Automobile Distribution segment, concentration on top ten customers is 23.0% (2013: 25.3%) and no customer is above 10% (2013: 9%). Certain receivables are also credit insured. In the Vehicle Glass segment, concentrations of risk with respect to receivables are limited due to the diversity of Belron's customer base.

Statement of financial position amounts are stated net of provisions for doubtful debts, and accordingly, the maximum credit risk exposure is the carrying amount of the receivables in the statement of financial position. As at 31 December 2014, the provisions for bad and doubtful debt amounted to EUR 34.9 million (2013: EUR 28.5 million).

The ageing analysis of trade and other receivables past due but not impaired is as follows:

EUR million	2014	2013
Up to three months past due	71.9	81.4
Three to six months past due	10.0	8.0
Over six months past due	2.4	5.9
Total	**84.3**	**95.3**

The increase of the provisions for bad and doubtful debt amounts to EUR 10.2 million as disclosed in note 5 (in 2013, increase of EUR 5.0 million).

NOTE 28: CASH AND CASH EQUIVALENTS

Cash and cash equivalents are analysed below:

EUR million	2014			2013		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Cash at bank and in hand	54.9	29.9	84.8	159.1	36.5	195.6
Short-term deposits	-	-	-	4.0	-	4.0
Cash and cash equivalents	**54.9**	**29.9**	**84.8**	**163.1**	**36.5**	**199.6**

In the Automobile Distribution segment, the decrease in cash and cash equivalents is partly due to the reimbursement in December 2014 of a bond of EUR 150.0 million.

Cash and cash equivalents are mainly floating rate assets which earn interest at various rates set with reference to the prevailing EONIA, LIBID or equivalent. Their carrying amount is equal to their fair value.

In the prior period, short-term deposits matured within 1 month.

NOTE 29: EQUITY

A reconciliation of share capital and reserves are set out in the consolidated statement of changes in equity on page 4.

Share capital

The change in ordinary share capital is set out below:

EUR million, except number of shares stated in units	Number of ordinary shares	Ordinary share capital
At 1 January 2013	**55,302,620**	**160.0**
Change	-	-
At 31 December 2013	**55,302,620**	**160.0**
Change	-	-
At 31 December 2014	**55,302,620**	**160.0**

The 5,000,000 nominative participating shares do not represent share capital. Each participating share confers one voting right and gives the right to a dividend equal to one eighth of the dividend of an ordinary share.

Treasury shares

Treasury shares are held by the Parent and by subsidiaries as set out below:

EUR million, except number of shares stated in units	31/12/2014		31/12/2013	
	Number	Amount	Number	Amount
Treasury shares held by the Parent	997,376	28.0	866,015	23.5
Treasury shares held by subsidiaries	-	-	-	-
Treasury shares held	**997,376**	**28.0**	**866,015**	**23.5**

Treasury shares are held to cover the stock option plans set up by the Parent since 1999 (see note 37).

Share-based payment reserve

The share-based payment reserve relates to the employee stock option plans (equity-settled) granted to officers and managers of the Automobile Distribution segment (see note 37).

NOTE 29: EQUITY (continued)

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect profit or loss.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of financial instruments that hedge the Group's net investment in a foreign subsidiary.

Actuarial gains and losses reserve

The actuarial gains and losses reserve relates to the actuarial movement linked with defined benefit pension plans (see note 20).

On 5 June 2014, the Extraordinary General Meeting of Shareholders renewed the authorisation to the Board of Directors to increase the share capital on one or more occasions, during a renewable period of five years, up to a maximum of EUR 60 million by contributions in cash or in kind or by incorporation of available or non-available reserves or share premium account, with or without creation of new shares, either preference or other shares, with or without voting rights, with or without subscription rights, with the possibility of limiting or withdrawing preferential subscription rights including in favour of one or more specified persons. The same Meeting authorised the Board of Directors to purchase own shares, during a period of five years, up to a maximum of ten percent of the ordinary shares issued.

Registered shares not fully paid-up may not be transferred except by virtue of a special authorisation from the Board of Directors for each assignment and in favour of an assignee appointed by the Board (art. 7 of the Articles). Participating shares may not be transferred except by the agreement of a majority of members of the Board of Directors, in which case they must be transferred to an assignee appointed by said members (art. 8 of the Articles).

The Group's objectives when managing capital are to safeguard each of its activities ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital. The Group monitors the capital adequacy at the level of each of its activities through a set of ratios relevant to their specific business. In order to maintain or adjust the capital structure, each activity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt, taking into account the existence of non-controlling shareholders.

Shareholders with controlling interest according to the declaration of transparency dated 2 November 2011, and communication dated 29 August 2013 related to the end of the concerted actions between s.a. Cobepa and respectively Nayarit Group and SPDG Group.	**Capital shares**		**Participating shares**		**Total voting rights**	
	Number	**%**	**Number**	**%**	**Number**	**%**
s.a. de Participations et de Gestion, Brussels	10,322,060	18.66%	-	-	10,322,060	17.12%
Reptid Commercial Corporation, Dover, Delaware	2,025,320	3.66%	-	-	2,025,320	3.36%
Mrs Catheline Périer-D'Ieteren	1,529,900	2.77%	1,250,000	25.00%	2,779,900	4.61%
Mr Olivier Périer	10,000	0.02%	-	-	10,000	0.02%
The four abovementioned persons (collectively "SPDG Group") are associated.	**13,887,280**	**25.11%**	**1,250,000**	**25.00%**	**15,137,280**	**25.10%**
Nayarit Participations s.c.a., Brussels	17,217,830	31.13%	-	-	17,217,830	28.55%
Mr Roland D'Ieteren	466,190	0.84%	3,750,000	75.00%	4,216,190	6.99%
Mr Nicolas D'Ieteren	10,000	0.02%	-	-	10,000	0.02%
The three abovementioned persons (collectively "Nayarit Group") are associated.	**17,694,020**	**31.99%**	**3,750,000**	**75.00%**	**21,444,020**	**35.56%**
The persons referred to as SPDG Group and Nayarit Group act in concert.						

Other major shareholders according to the declaration of transparency dated 18 June 2014.	**Capital shares**		**Participating shares**		**Total voting rights**	
	Number	**%**	**Number**	**%**	**Number**	**%**
MFS Investment Management, Boston, United States	3,027,306	5.47%	-	-	3,027,306	5.02%

The Board of Directors proposed the distribution of a gross dividend amounting to EUR 0.80 per share (2013: EUR 0.80 per share), or EUR 43.9 million in aggregate (2013: EUR 44.0 million).

NOTE 30: PROVISIONS

Liabilities for post-retirement benefit schemes are analysed in note 20. The other provisions, either current or non-current, are analysed below.

The major classes of provisions are the following ones:

EUR million	2014			2013		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Non-current provisions						
Dealer-related	10.3	-	10.3	10.5	-	10.5
Warranty	4.9	-	4.9	4.9	-	4.9
Other non-current items	5.3	2.5	7.8	5.1	5.8	10.9
Subtotal	**20.5**	**2.5**	**23.0**	**20.5**	**5.8**	**26.3**
Current provisions						
Other current items	-	34.5	34.5	-	3.5	3.5
Subtotal	**-**	**34.5**	**34.5**	**-**	**3.5**	**3.5**
Total provisions	**20.5**	**37.0**	**57.5**	**20.5**	**9.3**	**29.8**

The changes in provisions are set out below for the year ended 31 December 2014:

EUR million	Dealer-related	Warranty	Other non-current items	Other current items	Total
At 1 January 2014	**10.5**	**4.9**	**10.9**	**3.5**	**29.8**
Charged in the year	4.0	0.6	0.9	46.6	52.1
Utilised in the year	-1.9	-	-0.7	-16.5	-19.1
Reversed in the year	-2.3	-0.6	-3.3	-	-6.2
Translation differences	-	-	-	0.9	0.9
At 31 December 2014	**10.3**	**4.9**	**7.8**	**34.5**	**57.5**

The timing of the outflows being largely uncertain, most of the provisions are considered as non-current items. The non-current provisions are not discounted since the impact is not considered material to the Group. Current provisions are expected to be settled within 12 months.

The dealer-related provisions arise from the ongoing improvement of the distribution networks.

In the Automobile Distribution segment, warranty provisions relate to the cost of services offered to new vehicle customers, like mobility.

Other current and non-current provisions primarily comprise:

- Reorganisation and employee termination provisions that are expected to crystallise within the next few years;
- Dilapidation and environmental provisions to cover the costs of the remediation of certain properties held under operating leases;
- Provisions for vacant properties;
- Provision against legal claims that arise in the normal course of business, that are expected to crystallise in the next couple of years. After taking appropriate legal advice, the outcome of these legal claims should not give rise to any significant loss beyond amounts provided at 31 December 2014;
- The provision for the long-term management incentive schemes in the Vehicle Glass segment. A new scheme commenced in 2014, the settlement of which is expected to occur in 2017. The provision for the 2013 long-term management scheme was released in the year.

NOTE 31: LOANS AND BORROWINGS

Loans and borrowings are analysed as follows:

EUR million	2014			2013		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Non-current loans and borrowings						
Bonds	-	-	-	100.0	-	100.0
Obligations under finance leases	0.9	27.3	28.2	-	21.3	21.3
Bank and other loans	5.3	94.1	99.4	2.9	13.1	16.0
Loan notes	-	611.9	611.9	-	555.7	555.7
Subtotal non-current loans and borrowings	**6.2**	**733.3**	**739.5**	**102.9**	**590.1**	**693.0**
Current loans and borrowings						
Bonds	100.0	-	100.0	150.0	-	150.0
Obligations under finance leases	-	23.3	23.3	-	19.2	19.2
Bank and other loans	6.7	9.2	15.9	1.9	12.7	14.6
Loan notes	-	-	-	-	146.2	146.2
Subtotal current loans and borrowings	**106.7**	**32.5**	**139.2**	**151.9**	**178.1**	**330.0**
TOTAL LOANS AND BORROWINGS	**112.9**	**765.8**	**878.7**	**254.8**	**768.2**	**1,023.0**

The Group issues bonds both through the Parent and its wholly-owned subsidiary D'Ieteren Trading b.v. The bonds outstanding at 31 December are as follows (only in the Automobile Distribution segment), following the reimbursement of the bond of EUR 150 million which matured in December 2014:

	2014				2013			
	Issued	Principal (EUR million)	Maturing	Fixed rate	Issued	Principal (EUR million)	Maturing	Fixed rate
	July 2005	100.0	2015	4.25%	July 2005	100.0	2015	4.25%
					December 2009	150.0	2014	5.50%
Total		**100.0**				**250.0**		

The weighted average cost of bonds in 2014 was 5.1% (2013: 5.1%).

Obligations under finance leases are analysed below:

EUR million	2014		2013	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Within one year	23.9	23.3	19.7	19.2
Between one and five years	30.8	28.2	14.0	12.7
More than five years	-	-	9.7	8.6
Subtotal	54.7	51.5	43.4	40.5
Less: future finance charges	-3.2		-2.9	
Present value of finance lease obligations	**51.5**		**40.5**	

At year-end, obligations under finance leases are mainly located in the Vehicle Glass segment and are mainly related to vehicles. The Group's obligations under finance leases are secured by the lessors having legal title over the leased assets.

Bank and other loans mainly represent non syndicated bank loans (in the Automobile Distribution segment) and syndicated loan facilities (in Vehicle Glass segment), as well as overdrafts. Depending on the currency of the bank borrowings and the segment concerned, the weighted average cost ranged from 1.6% to 24.1% in 2014 (2013: 1.3% to 21.5%).

NOTE 31: LOANS AND BORROWINGS (continued)

In the Vehicle Glass segment, loan notes represent the following outstanding balances, due by Belron Finance Limited, a wholly-owned subsidiary of Belron:

			2014		2013	
	Interest rate	**Currency**	**Principal (in million)**	**Maturing**	**Principal (in million)**	**Maturing**
Series A (April 2007)	5.68%	USD	-	-	200.0	2014
Series B (April 2007)	5.80%	USD	125.0	2017	125.0	2017
Series C (April 2007)	5.94%	GBP	20.0	2017	20.0	2017
Series A (March 2011)	4.51%	USD	50.0	2018	50.0	2018
Series B (March 2011)	5.13%	USD	100.0	2021	100.0	2021
Series C (March 2011)	5.25%	USD	100.0	2023	100.0	2023
Series A (August 2013)	3.04%	EUR	75.0	2020	75.0	2020
Series B (September 2013)	3.93%	USD	135.0	2020	135.0	2020
Series C (September 2013)	4.33%	USD	21.0	2022	21.0	2022
Series D (September 2013)	4.50%	USD	71.0	2023	71.0	2023
Series E (September 2013)	4.65%	USD	23.0	2025	23.0	2025

During the period, a loan note of USD 200.0 million maturing in April 2014 was repaid by the Vehicle Glass segment.

The Group runs one commercial paper (EUR 300.0 million; 2013: EUR 300.0 million) programme in Belgium through s.a. D'Ieteren Treasury n.v., a wholly-owned subsidiary of the Parent. This programme is guaranteed by the Parent. No cost incurred over 2014 and 2013 as unused during these periods. Medium term notes can also be drawn from this programme.

Non-current loans and borrowings are due for settlement after more than one year, in accordance with the maturity profile set out below:

EUR million	**2014**	**2013**
Between one and five years	294.8	288.1
After more than five years	444.7	404.9
Non-current loans and borrowings	**739.5**	**693.0**

The exposure of the Group's loans and borrowings to interest rate changes and the repricing dates (before the effect of the debt derivatives) at the balance sheet date is as follows:

EUR million	**2014**	**2013**
Less than one year	234.2	345.0
Between one and five years	199.8	273.1
After more than five years	444.7	404.9
Loans and borrowings	**878.7**	**1,023.0**

The interest rate and currency profiles of loans and borrowings are as follows:

EUR million	**2014**			**2013**		
Currency	**Fixed rate**	**Floating rate**	**Total**	**Fixed rate**	**Floating rate**	**Total**
EUR	188.2	180.1	368.3	328.7	90.0	418.7
GBP	25.5	-	25.5	24.0	-	24.0
USD	473.2	6.4	479.6	562.5	11.9	574.4
Other	3.7	1.6	5.3	4.2	1.7	5.9
Total	**690.6**	**188.1**	**878.7**	**919.4**	**103.6**	**1,023.0**

NOTE 31: LOANS AND BORROWINGS (continued)

When the effects of debt derivatives are taken into account, the interest rate and currency profiles of loans and borrowings are as follows:

EUR million	2014			2013		
Currency	**Fixed rate**	**Floating rate**	**Total**	**Fixed rate**	**Floating rate**	**Total**
EUR	88.2	198.3	286.5	243.7	101.9	345.6
GBP	25.5	-	25.5	24.0	-	24.0
USD	555.0	6.4	561.4	635.6	11.9	647.5
Other	3.7	1.6	5.3	4.2	1.7	5.9
Total	**672.4**	**206.3**	**878.7**	**907.5**	**115.5**	**1,023.0**

The floating rate borrowings bear interest at various rates set with reference to the prevailing EURIBOR or equivalent. The range of interest rates applicable for fixed rate borrowings outstanding is as follows:

	2014		2013	
Currency	**Min.**	**Max.**	**Min.**	**Max.**
EUR	1.9%	6.8%	1.3%	6.8%
GBP	5.9%	24.1%	5.9%	19.0%
USD	2.8%	6.7%	2.9%	6.8%
Other	2.2%	23.0%	2.4%	21.5%

The fair value of current loans and borrowings approximates their carrying amount. The fair value of non-current loans and borrowings is set out below:

EUR million	2014		2013	
	Fair value	**Carrying amount**	**Fair value**	**Carrying amount**
Bonds	-	-	102.2	100.0
Obligations under finance leases	28.2	28.2	21.3	21.3
Bank loans, loan notes and other loans	772.4	711.3	601.1	571.7
Non-current loans and borrowings	**800.6**	**739.5**	**724.6**	**693.0**

The fair value of the other borrowings is based on either tradable market values, or where such market values are not readily available is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. In the prior period, the fair value of the bonds was determined based on their market prices. See note 38 for fair value hierarchy and further information. Certain of the borrowings in the Group have covenants attached. At year-end, there is no breach of covenants.

NOTE 32: NET DEBT

Net debt is a non-GAAP measure, i.e. its definition is not addressed by IFRS. The Group does not represent net debt as an alternative to financial measures determined in accordance with IFRS. The Group uses the concept of net debt to reflect its indebtedness. Net debt is based on borrowings less cash, cash equivalents and non-current and current asset investments. It excludes the fair value of derivative debt instruments. The hedged 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 borrowings are translated at closing foreign exchange rates.

EUR million	Notes	31 December 2014			31 December 2013		
		Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Non-current loans and borrowings		6.2	733.3	739.5	102.9	590.1	693.0
Current loans and borrowings		106.7	32.5	139.2	151.9	178.1	330.0
Gross debt		**112.9**	**765.8**	**878.7**	**254.8**	**768.2**	**1,023.0**
Less: Cash and cash equivalents	28	-54.9	-29.9	-84.8	-163.1	-36.5	-199.6
Less: Held-to-maturity investments	14	-176.1	-	-176.1	-298.1	-	-298.1
Less: Other non-current receivables	22	-20.0	-	-20.0	-20.0	-	-20.0
Total net debt		**-138.1**	**735.9**	**597.8**	**-226.4**	**731.7**	**505.3**

NOTE 33: PUT OPTIONS GRANTED TO NON-CONTROLLING SHAREHOLDERS

The Group is committed to acquiring the non-controlling shareholdings owned by third parties in Belron (5.15%), should these third parties wish to exercise their put options. The exercise price of such options granted to non-controlling interest is reflected as a financial liability in the consolidated statement of financial position.

For put options granted to non-controlling shareholders prior to 1 January 2010, the goodwill is adjusted at period end to reflect the change in the exercise price of the options and the carrying value of non-controlling interest to which they relate. This treatment reflects the economic substance of the transaction, and has no impact on the result attributable to equity holders of the Parent.

Due to the introduction of the revised version of IFRS 3 (effective date 1 January 2010), for put options granted to non-controlling shareholders as from 1 January 2010, at inception, the difference between the consideration received and the exercise price of the options granted is recognised against the group's share of equity. At each period end, the re-measurement of the financial liability resulting from these options is recognised in the consolidated statement of profit or loss as a re-measurement item in net finance costs.

At 31 December 2014, the exercise price of all options granted to non-controlling shareholders (put options with related call options, exercisable until 2024) amounts to EUR 75.2 million (2013: EUR 89.0 million).

For put options granted to non-controlling shareholders prior to 1 January 2010, the difference between the exercise price of the options and the carrying value of the non-controlling interest (EUR 30.4 million at 31 December 2014) is presented as additional goodwill (EUR 32.8 million at 31 December 2014).

For put options granted to non-controlling shareholders as from 1 January 2010, the re-measurement at year-end of the financial liability resulting from these options amounts to EUR 2.7 million and is recognised in the consolidated statement of profit or loss as a re-measurement income in net finance costs (see note 9).

The exercise price of the put options takes into account estimates of the future profitability of Belron. Should the underlying estimates change, the value of the put options recognised in the statement of financial position would be impacted, with impacts on the related goodwill and net finance costs.

The carrying value of put options granted to non-controlling shareholders approximates their fair value.

NOTE 34: OTHER NON-CURRENT PAYABLES

Other non-current payables are non interest-bearing deferred consideration on acquisitions (2014: EUR 3.0 million; 2013: EUR 9.6 million) and other creditors (2014: EUR 12.9 million; 2013: EUR 9.4 million), payable after more than 12 months. The carrying value of other non-current payables approximates their fair value.

NOTE 35: TRADE AND OTHER CURRENT PAYABLES

Trade and other payables are analysed below:

EUR million	2014			2013		
	Automobile Distribution	**Vehicle Glass**	**Group**	**Automobile Distribution**	**Vehicle Glass**	**Group**
Trade payables	52.7	151.8	204.5	65.5	128.1	193.6
Accrued charges and deferred income	33.3	7.7	41.0	38.4	8.4	46.8
Non-income taxes	7.0	12.1	19.1	1.3	13.8	15.1
Deferred consideration on acquisitions	-	6.5	6.5	-	6.9	6.9
Other creditors	43.7	280.0	323.7	44.1	263.1	307.2
Trade and other payables	**136.7**	**458.1**	**594.8**	**149.3**	**420.3**	**569.6**

Trade and other current payables are expected to be settled within 12 months. The carrying value of trade and other current payables approximates their fair value.

NOTE 36: EMPLOYEE BENEFIT EXPENSE

The employee benefit expense is analysed below:

EUR million	2014			2013		
	Automobile Distribution	**Vehicle Glass**	**Group**	**Automobile Distribution**	**Vehicle Glass**	**Group**
Retirement benefit charges under defined contribution schemes	*-*	*-16.9*	*-16.9*	*-*	*-15.5*	*-15.5*
Retirement benefit charges under Belgian defined contribution schemes considered as defined benefit schemes	*-4.7*	*-*	*-4.7*	*-5.4*	*-*	*-5.4*
Retirement benefit charges under defined benefit schemes (see note 20)	*-1.9*	*-10.3*	*-12.2*	*-0.7*	*-7.9*	*-8.6*
Total retirement benefit charge	-6.6	-27.2	-33.8	-6.1	-23.4	-29.5
Wages, salaries and social security costs	-146.7	-1,090.6	-1,237.3	-130.5	-1,062.6	-1,193.1
Share-based payments: equity-settled	-1.7	-	-1.7	-1.6	-	-1.6
Total employee benefit expense	**-155.0**	**-1,117.8**	**-1,272.8**	**-138.2**	**-1,086.0**	**-1,224.2**
of which: current items	*-155.0*	*-1,117.8*	*-1,272.8*	*-138.0*	*-1,086.0*	*-1,224.0*
unusual items	*-*	*-*	*-*	*-0.2*	*-*	*-0.2*

The above expense includes the amounts accounted for in 2014 (reversal of EUR 3.0 million) and in 2013 (charge of EUR 5.0 million) in respect of the long-term management incentive schemes in the Vehicle Glass segment.

The staff numbers are set out below (average full time equivalents):

	2014	**2013**
Automobile Distribution	1,818	1,601
Vehicle Glass	26,542	25,645
Group	**28,360**	**27,246**

NOTE 37: 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 Automobile Distribution segment, 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.

Options outstanding are as follows:

Date of grant	Number of options (in units)		Exercise price	Exercise period	
	2014	2013	(EUR)	From	To
2014	122,091	-	33.08	1/01/2018	10/03/2024
2013	65,250	65,250	34.99	1/01/2017	24/11/2023
2013	89,361	89,361	34.23	1/01/2017	18/03/2023
2012	79,100	79,100	36.45	1/01/2016	14/10/2022
2011	217,814	217,814	35.00	1/01/2015	22/12/2021
2010	81,350	81,350	39.60	1/01/2014	3/10/2020
2009	90,140	91,690	24.00	1/01/2013	27/10/2019
2008	57,510	61,060	12.10	1/01/2012	5/11/2018
2007	63,880	64,480	26.40	1/01/2011	2/12/2022
2006	37,600	37,600	26.60	1/01/2010	27/11/2021
2005	32,800	33,600	20.90	1/01/2009	6/11/2020
2004	8,150	9,650	14.20	1/01/2008	28/11/2019
2003	6,100	6,700	16.34	1/01/2007	16/11/2018
2002	13,700	14,400	11.60	1/01/2006	13/10/2015
2001	-	7,950	13.30	1/01/2005	25/10/2014
Total	**964,846**	**860,005**			

All outstanding options are covered by treasury shares (see note 29).

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

	Number (in units)		Weighted average exercise price (EUR)	
	2014	2013	2014	2013
Outstanding options at the beginning of the period	860,005	858,814	26.61	27.07
Granted during the period	122,091	154,611	33.08	34.55
Forfeited during the period	-850	-8,350	13.30	26.70
Exercised during the period	-16,400	-145,070	15.03	16.79
Outstanding options at the end of the period	**964,846**	**860,005**	**30.80**	**30.15**
of which: exercisable at the end of the period	*391,230*	*327,130*	*16.88*	*20.98*

In 2014, a large part of the options were exercised during the third quarter of the period. The average share price during the period was EUR 31.95 (2013: EUR 34.39). The forfeited movement during the period relates to the options initially granted in 2001 which have expired in October 2014 and those forfeited in 2013 related to the options initially granted in 2000 which had expired in September 2013.

For share options outstanding at the end of the period, the weighted average remaining contractual life is as follows:

	Number of years
31 December 2014	**7.0**
31 December 2013	7.6

NOTE 37: SHARE-BASED PAYMENTS (continued)

IFRS 2 “Share-Based Payments” requires that the fair value of all share options issued after 7 November 2002 is charged to the income statement. The fair value of the options must be assessed on the date of each issue. A simple Cox valuation model was used at each issue date re-assessing the input assumptions on each occasion.The assumptions for the 2014 and 2013 issues were as follows:

	2014	2013	
Number of employees	4	4	128
Spot share price (EUR)	33.28	36.33	34.08
Option exercise price (EUR)	33.08	34.23	34.99
Vesting period (in years)	3.0	3.0	3.0
Expected life (in years)	6.5	6.5	6.5
Expected volatility (in %)	21%	28%	24%
Risk free rate of return (in %)	1.64%	1.62%	1.96%
Expected dividend (EUR)	0.80	0.80	0.70
Probability of ceasing employment before vesting (in %)	0%	0%	0%
Weighted average fair value per option (EUR)	6.88	9.51	8.29

Expected volatility and expected dividends were provided by an independent expert. The risk free rate of return is based upon EUR zero-coupon rates with an equivalent term to the options granted.

NOTE 38: FINANCIAL RISK MANAGEMENT

Treasury policies aim to ensure permanent access to sufficient liquidity, and to monitor and limit interest and currency exchange risks. These are summarised below.

Liquidity Risk

Each business unit of the Group seeks to ensure that it has sufficient committed funding in place to cover its requirements - as estimated on the basis of its long-term financial projections - in full for at least the next 12 months. Funding is managed at the level of each business unit. This funding is supplemented by various sources of uncommitted liquidity (short-term banking facilities, commercial paper).

The long-term funding mainly consists of:

- In the Vehicle Glass segment: syndicated loan facilities and private bonds;
- In the Automobile Distribution segment: public retail bonds and bi-lateral bank facilities.

Repayment dates are spread as evenly as possible and funding sources are diversified in order to mitigate refinancing risk (timing, markets) and its associated costs (credit spread risk).

Cash pooling schemes are sought and implemented each time when appropriate (in the Automobile Distribution and the Vehicle Glass segments) in order to minimise gross financing needs and costs of liquidity.

NOTE 38: FINANCIAL RISK MANAGEMENT (continued)

The following is an analysis of the contractual undiscounted cash flows payable under financial liabilities together with derivative financial instrument assets and liabilities at balance sheet date:

EUR million	Due within one year		Due between one and five years		Due after five years		Total	
	Capital	Interest	Capital	Interest	Capital	Interest	Capital	Interest
At 31 December 2014								
Loans and borrowings								
Public bonds	100.0	4.3	-	-	-	-	100.0	4.3
Obligations under finance leases	23.3	0.6	27.9	2.6	0.3	-	51.5	3.2
Other borrowings and private bonds	16.7	30.0	266.8	92.7	445.5	41.1	729.0	163.8
Total	140.0	34.9	294.7	95.3	445.8	41.1	880.5	171.3
Trade and other payables	594.8	-	-	-	-	-	594.8	-
Derivative financial instruments								
Derivative contracts - receipts	-23.2	-9.2	-	-15.9	-81.8	-13.9	-105.0	-39.0
Derivative contracts - payments	29.4	5.2	2.7	10.5	80.3	9.2	112.4	24.9
Total	**741.0**	**30.9**	**297.4**	**89.9**	**444.3**	**36.4**	**1,482.7**	**157.2**
At 31 December 2013								
Loans and borrowings								
Public bonds	150.0	8.3	100.0	4.3	-	-	250.0	12.6
Obligations under finance leases	19.2	0.5	21.3	2.4	-	-	40.5	2.9
Other borrowings and private bonds	162.0	28.8	168.3	91.6	405.2	54.1	735.5	174.5
Total	331.2	37.6	289.6	98.3	405.2	54.1	1,026.0	190.0
Trade and other payables	569.6	-	-	-	-	-	569.6	-
Derivative financial instruments								
Derivative contracts - receipts	-110.5	-8.6	-	-20.4	-73.1	-17.9	-183.6	-46.9
Derivative contracts - payments	111.2	4.8	-	12.6	80.3	12.6	191.5	30.0
Total	**901.5**	**33.8**	**289.6**	**90.5**	**412.4**	**48.8**	**1,603.5**	**173.1**

Interest Rate Risk

The Group seeks to cap the impact of adverse interest rates movements on its current financial results, particularly in relation to the next 12 months. To manage its interest rate exposures, the Group primarily uses forward rate agreements, interest rate swaps, caps and floors. Each business unit determines its own minimum hedge percentages, which, for the period up to 12 months, are comprised between 50% and 100%, and thereafter sets them gradually lower over time. The overall hedge horizon is typically 3 years. Hedges, or fixed rate indebtedness, beyond 5 years are unusual.

A change of 100 basis points in interest rate at the reporting date would have increased/decreased equity and result from continuing operations by the amounts shown below. This analysis assumes that all other variables remain constant.

EUR million	Result from continuing operations		Cash flow hedge reserve	
	1% increase	1% decrease	1% increase	1% decrease
31 December 2014	**0.6**	**-0.6**	**-**	**-**
31 December 2013	1.5	-2.0	-	-

Currency Risk

The Group's objective is to protect its cash flows, commercial transactions and net investments in foreign operations from the potentially high volatility of the foreign exchange markets by hedging any material net foreign currency exposure. Material means in excess of one million euros.

The Group has certain investments in foreign operations whose net assets and related goodwill are exposed to foreign currency translation risk. These risks are minimised mainly through the creation of liabilities (debt) denominated in the same currency as the cash flows generated by the corresponding assets. To complement these natural hedges, the Group uses instruments such as forwards, swaps, plain-vanilla foreign exchange options and, when appropriate, cross currency swaps. The hedging levels are reviewed periodically, in light of the market conditions and each time a material asset is added or removed.

NOTE 38: FINANCIAL RISK MANAGEMENT (continued)

A 10 percent strenghtening/weakening of the euro against the following currencies at 31 December would have increased/decreased equity and result from continuing operations by the amounts shown below. This analysis assumes that all other variables remain constant.

EUR million	Result from continuing operations		Equity	
	10% strenghtening	10% weakening	10% strenghtening	10% weakening
31 December 2014				
EUR vs GBP	0.1	-0.1	-11.3	13.8
EUR vs USD	1.5	-1.8	0.1	-0.1
31 December 2013				
EUR vs GBP	0.1	-0.1	-9.4	11.5
EUR vs USD	1.6	-2.0	-0.5	0.6

Counterparty Risk

Exposure limits to financial counterparties in respect of both amount and duration are set in respect of derivatives and cash deposits. Such transactions are entered into with a limited number of pre-designated banks on the basis of their publicly available credit ratings, which are checked at least once a year. The required minimum rating is A- (Standard and Poor's). Limits on length of exposure per category of transaction are in place to protect liquidity and mitigate counterparty default risks. The instruments and their documentation must be authorized before entering the contemplated transactions. There is no meaningful price risk other than those mentioned above.

Within this framework, considerable autonomy is granted to each of the businesses.

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).

In 2014 and 2013, all Group's financial assets and liabilities measured at fair value in the consolidated statement of financial position (derivative hedging instruments and derivatives held for trading) are classified in level 2.

Fair value disclosed

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

EUR million	31 December 2014		31 December 2013	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets				
Non-current held-to-maturity financial assets	-	-	9.7	9.9
Investment properties	6.7	18.7	4.8	10.1
Liabilities				
Non-current loans and borrowings	739.5	800.6	693.0	724.6

In 2014, for the non-current loans and borrowings (see note 31), the fair value is classified in level 2 of the fair value hierarchy, described above. In the prior period, the fair value was classified in level 1 (EUR 102.2 million – quoted bond in the Automobile Distribution segment) and level 2 (EUR 593.0 million).

In 2014 and 2013, the fair value of the investment properties (see note 16) is classified in level 3 of the fair value hierarchy as described above (valuation by an independent valuer who holds a recognised and relevant professional qualification).

In the prior period, the fair value of the non-current held-to-maturity investments (see note 14) was classified in level 1 (quoted prices) of the fair value hierarchy as described above.

NOTE 38: FINANCIAL RISK MANAGEMENT (continued)

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 hedging instruments and derivatives held for trading 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 Vehicle Glass 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 39: CONTINGENCIES AND COMMITMENTS

EUR million	2014	2013
Commitments to acquisition of non-current assets	19.1	12.1
Other important commitments:		
Commitments given	7.2	15.5
Commitments received	25.9	28.0

In 2014, the commitments to acquisition of non-current assets mainly concern other property, plant and equipment in the Vehicle Glass segment.

The Group is a lessee in a number of operating leases (mainly buildings, non-fleet vehicles and items of property, plant and equipment). The related future minimum lease payments under non-cancellable operating leases, per maturity, are as follows:

EUR million	2014	2013
Within one year	123.0	155.7
Later than one year and less than five years	338.0	298.5
After five years	156.8	144.0
Total	**617.8**	**598.2**

The Group also acts as a lessor in a number of operating leases. All of these concern investment properties held by the Automobile Distribution segment. The related future minimum lease payments under non-cancellable operating leases, per maturity, are as follows:

EUR million	2014	2013
Within one year	1.1	1.3
Later than one year and less than five years	6.0	5.5
After five years	0.7	1.3
Total	**7.8**	**8.1**

At each year end, the Group also has various other prepaid operating lease commitments in relation to vehicles sold under buy-back agreements, included in deferred income in note 35.

The revenue, expenses, rights and obligations arising from leasing arrangements regarding investment property are not considered material to the Group, and accordingly a general description of these leasing arrangements is not disclosed.

NOTE 40: RELATED PARTY TRANSACTIONS

EUR million	2014	2013
With entities with joint control or significant influence over the Group:		
Amount of the transactions entered into during the period	1.1	1.1
Outstanding creditor balance at 31 December	0.5	6.2
With associates:		
Sales	0.1	0.1
Purchases	-	-
Trade receivables outstanding at 31 December	0.1	0.1
With joint ventures in which the Group is a venturer:		
Sales	94.1	94.2
Purchases	-11.2	-12.3
Trade receivables outstanding at 31 December	13.8	2.5
With key management personnel:		
Compensation:		
Short-term employee benefits	3.6	4.1
Post-employment benefits	0.2	0.2
Termination benefits	-	1.2
Total compensation	3.8	5.5
Amount of the other transactions entered into during the period	n/a	n/a
Outstanding creditor balance at 31 December	n/a	n/a
With other related parties:		
Amount of the transactions entered into during the period	-	-
Outstanding creditor balance at 31 December	-	0.5

NOTE 41: LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The full list of companies concerned by articles 114 and 165 of the Royal Decree of 30 January 2001 implementing the Company Code will be lodged with the Central Balance Sheet department of the National Bank of Belgium. It is also available on request from the Parent head office (see note 1).

The main fully consolidated subsidiaries of the Parent are listed below:

Name	Country of incorporation	% of share capital owned at 31 Dec. 2014	% of share capital owned at 31 Dec. 2013
Automobile Distribution			
s.a. D'Ieteren Sport n.v.	Belgium	75%	75%
Power To Wheels s.a.	Belgium	0%	100%
s.a. D'Ieteren Services n.v.	Belgium	100%	100%
s.a. D'Ieteren Treasury n.v.	Belgium	100%	100%
D'Ieteren Trading b.v.	The Netherlands	100%	100%
D'Ieteren Vehicle Glass s.a.	Luxemburg	100%	100%
Dicobel s.a.	Belgium	100%	100%
PC Paal n.v.	Belgium	100%	100%
Kronos Automobiles s.a.	Belgium	100%	100%
PC Liège s.a.	Belgium	100%	100%
S.M.A.R.T. & Clean Automotive Services s.a.	Belgium	100%	100%
Garage Joly b.v.b.a.	Belgium	100%	100%
Autonatie n.v.	Belgium	100%	0%
Y&N Claessens b.v.b.a.	Belgium	100%	0%
Vehicle Glass			
Belron s.a.	Luxemburg	94.85%	94.85%

The main entity accounted for using the equity method is the joint venture Volkswagen D'Ieteren Finance s.a. (50% owned minus one share), incorporated in Belgium. See note 7 for adequate disclosures.

NOTE 41: LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (continued)

Belron s.a. and its subsidiaries have material non-controlling interests. The ownership interest held by non-controlling interests is 5.15% since the transaction with a non-controlling shareholder that occurred in March 2013 (see note 32 of the 2013 consolidated financial statements). Since the Vehicle Glass segment comprises Belron s.a. and its subsidiaries, no specific additional disclosures are made.

NOTE 42: EXCHANGE RATES

Monthly income statements of foreign operations are translated at the relevant rate of exchange for that month. Except for the statement of financial position which is translated at the closing rate, each line item in these consolidated financial statements represents a weighted average rate.

The main exchange rates used for the translations were as follows:

Number of euros for one unit of foreign currency	2014	2013
Closing rate		
AUD	0.66	0.65
BRL	0.30	0.31
CAD	0.71	0.69
GBP	1.27	1.20
USD	0.82	0.73
Average rate (1)		
AUD	0.68	0.72
BRL	0.32	0.35
CAD	0.68	0.72
GBP	1.24	1.18
USD	0.76	0.77

(1) Effective average rate for the profit or loss attributable to equity holders.

NOTE 43: SERVICES PROVIDED BY THE STATUTORY AUDITOR

The external audit is conducted by KPMG Réviseurs d'Entreprises, represented by Alexis Palm, whose auditing term expires at the General Meeting of June 2017.

EUR million	2014	2013
Audit services	**2.7**	**2.0**
KPMG Belgium	0.3	0.0
Other offices in the KPMG network	2.4	2.0
Non-audit services	**2.0**	**0.5**
KPMG Belgium	-	-
Other offices in the KPMG network	2.0	0.5
Services provided by the Statutory Auditor	**4.7**	**2.5**

NOTE 44: SUBSEQUENT EVENTS

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

s.a. D’Ieteren n.v.

Summarised Statutory
Financial Statements 2014

CONTENTS

The statutory financial statements of s.a. D’Ieteren n.v. are summarised below in accordance with article 105 of the Company Code. The unabridged version of the statutory financial statements of s.a. D’Ieteren n.v., the related management report and Statutory Auditor’s report shall be deposited at the National Bank of Belgium within the legal deadline and may be obtained free of charge from the internet site www.dieteren.com or on request from:

s.a. D’Ieteren n.v.
Rue du Mail 50
B-1050 Brussels

Summarised Balance Sheet

At 31 December

EUR million		2014	2013
ASSETS			
Fixed assets		**2,529.7**	**2,507.1**
II.	Intangible assets	7.8	6.0
III.	Tangible assets	116.9	101.1
IV.	Financial assets	2,405.0	2,400.0
Current assets		**367.4**	**353.5**
V.	Non-current receivables	20.0	20.0
VI.	Stocks	297.2	270.2
VII.	Amounts receivable within one year	20.6	32.2
VIII.	Investments	25.7	25.6
IX.	Cash at bank and in hand	0.2	0.3
X.	Deferred charges and accrued income	3.7	5.2
TOTAL ASSETS		**2,897.1**	**2,860.6**

EUR million		2014	2013
LIABILITIES			
Capital and reserves		**882.2**	**930.4**
I.A.	Issued capital	160.0	160.0
II.	Share premium account	24.4	24.4
IV.	Reserves	696.3	696.3
V.	Accumulated profits	1.5	49.7
Provisions and deferred taxes		**24.7**	**26.2**
Creditors		**1,990.2**	**1,904.0**
VIII.	Amounts payable after one year	761.1	1,100.3
IX.	Amounts payable within one year	1,175.8	744.0
X.	Accrued charges and deferred income	53.3	59.7
TOTAL LIABILITIES		**2,897.1**	**2,860.6**

Summarised Income Statement

Year ended 31 December

EUR million		2014	2013
I.	Operating income	2,593.2	2,600.0
II.	Operating charges	2,543.4	2,556.4
III.	Operating profit	49.8	43.6
IV.	Financial income	5.8	28.0
V.	Financial charges	56.7	50.6
VI.	Result on ordinary activities before income taxes	-1.1	21.0
VII.	Extraordinary income	9.7	-
VIII.	Extraordinary charges	12.8	7.3
IX.	Result for the period before taxes	-4.2	13.7
IXbis.	Deferred taxes	-	-
X.	Income taxes	-0.1	-0.1
XI.	Result for the period	-4.3	13.6
XII.	Variation of untaxed reserves (1)	0.1	0.1
XIII.	Result for the period available for appropriation	-4.2	13.7

(1) Transfers from untaxed reserves (+) / Transfers to untaxed reserves (-).

Summarised Appropriation

Year ended 31 December

EUR million	2014	2013
APPROPRIATION ACCOUNT		
Profit (loss) to be appropriated	45.5	93.7
Gain (loss) of the period available for appropriation	-4.2	13.7
Profit (loss) brought forward	49.7	80.0
Withdrawals from capital and reserves	0.7	0.7
from reserves	0.7	0.7
Transfer to capital and reserves	0.8	0.7
to other reserves	0.8	0.7
Profit (loss) to be carried forward	1.5	49.7
Profit to be distributed	43.9	44.0
Dividends	43.9	44.0

This proposed appropriation is subject to approval by the Annual General Meeting of 28 May 2015.

Summary of Accounting Policies

The **capitalised costs for the development of information technology projects (intangible assets)** are amortised on a straight-line basis over their useful life. The amortisation period cannot be less than 2 years nor higher than 7 years.

Tangible Fixed Assets are recognised at their acquisition value; this value does not include borrowing costs. Assets held by virtue of long-term leases ("emphytéose"), finance leases or similar rights are entered at their capital reconstitution cost. The rates of depreciation for fixed assets depend on the probable economic lifetime for the assets concerned. As from 1 January 2003, tangible fixed assets acquired or constructed after this date shall be depreciated pro rata temporis and the ancillary costs shall be depreciated at the same rate as the tangible fixed assets to which they relate.

The main depreciation rates are the following:

	Rate	Method
Buildings	5%	L/D
Building improvements	10%	L/D
Warehouse and garage	15%	L/D
Network identification equipment	20%	L/D
Furniture	10%	L/D
Office equipment	20%	L/D
Rolling stock	25%	L
Heating system	10%	L/D
EDP hardware	20%-33%	L/D

L: straight line.
D: declining balance (at a rate twice as high as the equivalent straight line rate).

Tangible fixed assets are revalued if they represent a definite, long-term capital gain. Depreciation of any revaluation surplus is calculated linearly over the remaining lifetime in terms of the depreciation period of the asset concerned.

Financial Fixed Assets are entered either at their acquisition price, after deduction of the uncalled amounts (in the case of shareholdings), or at their nominal value (amounts receivable). They can be revalued, and are written down if they suffer a capital loss or a justifiable long-term loss in value. The ancillary costs are charged to the income statement during the financial year.

Amounts Receivable within one year and those receivable after one year are recorded at their nominal value. Write-downs are applied if repayment by the due date is uncertain or compromised in whole or in part, or if the repayment value at the closing date is less than the book value.

Stocks of new vehicles are valued at their individual acquisition price. Other categories of stocks are valued at their acquisition price according to the fifo method, the weighted average price or the individual acquisition price. Write-downs are applied as appropriate, according to the selling price or the market value.

Treasury Investments and Cash at Bank and in Hand are recorded at their acquisition value. They are written down if their realisation value on the closing date of the financial year is less than their acquisition value.

When these treasury investments consist of own shares held for hedging share options, additional write-downs are applied if the exercise price is less than the book value resulting from the above paragraph.

Provisions for Liabilities and Charges are subject to individual valuation, taking into account any foreseeable risks. They are written back by the appropriate amount at the end of the financial year if they exceed the current assessment of the risks which they were set aside to cover.

Amounts Payables are recorded at their nominal value.

Valuation of assets and liabilities in foreign currencies

Financial fixed assets are valued in accordance with recommendation 152/4 by the Accounting Standards Commission. Stocks are valued at their historical cost. However, the market value (as defined by the average rate on the closing date of the balance sheet) is applied if this is less than the historical cost. Monetary items and commitments are valued at the official rate on the closing date, or at the contractual rate in the case of specific hedging operations. Only negative differences for each currency are entered in the income statement.