

# s.a. D'Ieteren n.v. Consolidated Financial Statements 2011

## CONTENTS

8	CONSOLIDATED INCOME STATEMENT	55	Note 22: Other Non-Current Receivables
9	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	55	Note 23: Non-Current Assets Classified as Held for Sale
10	CONSOLIDATED STATEMENT OF FINANCIAL POSITION	57	Note 24: Inventories
11	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	57	Note 25: Other Financial Assets
12	CONSOLIDATED STATEMENT OF CASH FLOWS	57	Note 26: Current Tax Assets and Liabilities
14	NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	58	Note 27: Trade and Other Receivables
14	Note 1: General Information	59	Note 28: Cash and Cash Equivalents
14	Note 2: Accounting Policies	59	Note 29: Equity
22	Note 3: Segment Information	61	Note 30: Provisions
29	Note 4: Sales	62	Note 31: Borrowings
30	Note 5: Operating Result	66	Note 32: Net Debt
31	Note 6: Net Finance Costs	67	Note 33: Put Options Granted to Non-Controlling Shareholders
32	Note 7: Entities Accounted for Using the Equity Method	67	Note 34: Other Non-Current Payables
33	Note 8: Tax Expense	67	Note 35: Trade and Other Current Payables
34	Note 9: Unusual Items and Re-Measurements	68	Note 36: Employee Benefit Expense
36	Note 10: Earnings per Share	69	Note 37: Share-Based Payments
38	Note 11: Goodwill	70	Note 38: Financial Risk Management
40	Note 12: Business Combinations	74	Note 39: Contingencies and Commitments
42	Note 13: Other Intangible Assets	75	Note 40: Related Party Transactions
43	Note 14: Vehicles	75	Note 41: Discontinued operations
45	Note 15: Other Property, Plant and Equipment	79	Note 42: List of Subsidiaries, Associates and Joint Ventures
46	Note 16: Investment Property	80	Note 43: Exchange Rates
46	Note 17: Available-for-Sale Financial Assets	80	Note 44: Subsequent Events
47	Note 18: Derivative Hedging Instruments	81	Note 45: Auditor's report
49	Note 19: Derivatives Held for Trading	82	ABRIDGED STATUTORY FINANCIAL STATEMENTS 2011
50	Note 20: Long-Term Employee Benefit Assets and Obligations		
54	Note 21: Deferred Taxes		

### Statement from the responsible persons

We certify that, to the best of our knowledge, the consolidated financial statements as of 31 December 2011, prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and result of s.a. D'Ieteren n.v. and the undertakings included in the consolidation taken as a whole, and that the management report includes a fair review of the development and performance of the business and of the position of s.a. D'Ieteren n.v. and the undertakings included in the consolidation taken as a whole, as well as a description of the principal risks and uncertainties that they face.

On behalf of the Board of Directors,

Jean-Pierre Bizet  
Managing Director

Roland D'Ieteren  
Chairman

# Consolidated Income Statement

Year ended 31 December

EUR million	Notes	2011			2010 <sup>(1)</sup>		
		Total	Of which		Total	Of which	
			Current items <sup>(2)</sup>	Unusual items and re-measurements <sup>(2)</sup>		Current items <sup>(2)</sup>	Unusual items and re-measurements <sup>(2)</sup>
<b>Sales</b>	4	<b>5,977.3</b>	5,977.3	-	<b>5,533.8</b>	5,533.8	-
Cost of sales		-4,246.3	-4,246.4	0.1	-3,833.0	-3,834.2	1.2
<b>Gross margin</b>		<b>1,731.0</b>	1,730.9	0.1	<b>1,700.8</b>	1,699.6	1.2
Commercial and administrative expenses		-1,369.3	-1,357.6	-11.7	-1,363.6	-1,348.6	-15.0
Other operating income		2.2	2.2	-	0.6	0.6	-
Other operating expenses		-12.4	1.7	-14.1	-9.8	-3.4	-6.4
<b>Operating result</b>	5	<b>351.5</b>	377.2	-25.7	<b>328.0</b>	348.2	-20.2
Net finance costs	6	-54.1	-55.2	1.1	-53.6	-57.0	3.4
<b>Result before tax</b>	9	<b>297.4</b>	322.0	-24.6	<b>274.4</b>	291.2	-16.8
Share of result of entities accounted for using the equity method	7	-0.1	-0.1	-	0.5	0.5	-
Tax expense	8	-43.7	-49.5	5.8	-58.1	-63.2	5.1
<b>Result from continuing operations</b>		<b>253.6</b>	272.4	-18.8	<b>216.8</b>	228.5	-11.7
Discontinued operations	41	122.4	86.1	36.3	19.4	27.9	-8.5
<b>RESULT FOR THE PERIOD</b>		<b>376.0</b>	358.5	17.5	<b>236.2</b>	256.4	-20.2
<b>Result attributable to:</b>							
<b>Equity holders of the Parent</b>	9	<b>312.6</b>	312.0	0.6	<b>218.8</b>	234.2	-15.4
Non-controlling interest		63.4	46.5	16.9	17.4	22.2	-4.8
<b>Earnings per share for result for the period attributable to equity holders of the Parent</b>							
Basic (EUR)	10	5.66	5.65	0.01	3.97	4.26	-0.29
Diluted (EUR)	10	5.63	5.62	0.01	3.95	4.23	-0.28
<b>Earnings per share for result from continuing operations attributable to equity holders of the Parent</b>							
Basic (EUR)	10	4.40	4.71	-0.31	3.76	3.95	-0.19
Diluted (EUR)	10	4.37	4.68	-0.31	3.73	3.93	-0.20

<sup>1</sup> As restated (see note 2.1).

<sup>2</sup> See summary of significant accounting policies in note 2 and unusual items and re-measurements in note 9.

# Consolidated Statement of Comprehensive Income

Year ended 31 December

EUR million	Notes	2011	2010
Result for the period		376.0	236.2
Other comprehensive income			
Actuarial gains (losses) on employee benefit obligations	20	-57.0	22.6
Translation differences		1.0	10.7
Translation differences: recycling to income statement	41	7.3	-
Fair value of available-for-sale financial instruments		-0.1	0.1
Cash flow hedges: fair value gains (losses) in equity		17.8	-9.4
Cash flow hedges: transferred to income statement		2.2	10.0
Cash flow hedges: recycling to income statement	41	6.3	-
Tax relating to actuarial gains (losses) on employee benefit obligations		15.8	-8.6
Tax relating to translation differences		-0.4	3.3
Tax relating to cash flow hedges		-4.9	-0.8
Subtotal		-12.0	27.9
<b>Total comprehensive income for the period</b>		<b>364.0</b>	<b>264.1</b>
being: Attributable to equity holders of the Parent		301.1	238.7
Continuing operations		215.3	216.0
Discontinued operations	41	85.8	22.7
Attributable to non-controlling interest		62.9	25.4

# Consolidated Statement of Financial Position

At 31 December

EUR million	Notes	2011	2010
Goodwill	11	1,026.0	1,004.6
Other intangible assets	13	428.4	792.2
Vehicles	14	-	658.3
Other property, plant and equipment	15	436.3	475.4
Investment property	16	5.6	5.8
Equity accounted investments	7	3.8	20.3
Available-for-sale financial assets	17	0.5	1.2
Derivative hedging instruments	18	15.7	4.8
Derivatives held for trading	19	-	2.2
Long-term employee benefit assets	20	30.5	39.2
Deferred tax assets	21	54.3	92.3
Other receivables	22	3.0	4.0
<b>Non-current assets</b>		<b>2,004.1</b>	<b>3,100.3</b>
Non-current assets classified as held for sale	23	347.7	1.7
Inventories	24	626.9	551.4
Derivative hedging instruments	18	1.1	0.1
Derivatives held for trading	19	12.3	19.7
Other financial assets	25	1.1	25.9
Current tax assets	26	7.7	5.9
Trade and other receivables	27	399.4	1,384.9
Cash and cash equivalents	28	250.0	267.2
<b>Current assets</b>		<b>1,646.2</b>	<b>2,256.8</b>
<b>TOTAL ASSETS</b>		<b>3,650.3</b>	<b>5,357.1</b>
Capital and reserves attributable to equity holders		1,530.5	1,250.6
Non-controlling interest		1.6	214.1
<b>Equity</b>		<b>1,532.1</b>	<b>1,464.7</b>
Long-term employee benefit obligations	20	59.1	110.1
Other provisions	30	68.6	96.1
Derivative hedging instruments	18	-	17.3
Borrowings	31/32	788.2	1,738.6
Derivatives held for trading	19	1.1	0.1
Put options granted to non-controlling shareholders	33	154.0	163.0
Other payables	34	7.7	13.3
Deferred tax liabilities	21	45.6	156.6
<b>Non-current liabilities</b>		<b>1,124.3</b>	<b>2,295.1</b>
Liabilities associated with non-current assets held for sale	23	333.2	-
Provisions	30	8.9	25.3
Derivative hedging instruments	18	-	12.9
Borrowings	31/32	53.1	356.2
Derivatives held for trading	19	7.6	24.6
Current tax liabilities	26	33.4	60.7
Trade and other payables	35	557.7	1,117.6
<b>Current liabilities</b>		<b>993.9</b>	<b>1,597.3</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,650.3</b>	<b>5,357.1</b>

# Consolidated Statement of Changes in Equity

Year ended 31 December

EUR million	Capital and reserves attributable to equity holders										Total Group's share	Non-control-ling interest	Equity
	Share capital	Share pre-mium	Treas-ury shares	Share-based payment reserve	Fair value reserve	Hedg-ing reserve	Retained earnings	Actu-arial gains and losses	Taxes	Cumula-tive transla-tion differ-ences			
<b>At 1 January 2010</b>	<b>160.0</b>	<b>24.4</b>	<b>-20.2</b>	<b>2.6</b>	<b>0.1</b>	<b>-3.1</b>	<b>931.3</b>	<b>-57.0</b>	<b>20.5</b>	<b>-30.1</b>	<b>1,028.5</b>	<b>126.1</b>	<b>1,154.6</b>
Treasury shares	-	-	4.6	-	-	-	-	-	-	-	4.6	-	4.6
Dividend 2009 paid in 2010	-	-	-	-	-	-	-17.9	-	-	-	-17.9	-6.3	-24.2
Put options treatment - Movement of the period	-	-	-	-	-	-	-2.6	-	-	-	-2.6	-3.8	-6.4
Other movements	-	-	-	1.9	-	-	-3.3	-	0.7	-	-0.7	72.7	72.0
Total comprehensive income	-	-	-	-	-	-0.2	218.8	18.6	-5.3	6.8	238.7	25.4	264.1
<b>At 31 December 2010</b>	<b>160.0</b>	<b>24.4</b>	<b>-15.6</b>	<b>4.5</b>	<b>0.1</b>	<b>-3.3</b>	<b>1,126.3</b>	<b>-38.4</b>	<b>15.9</b>	<b>-23.3</b>	<b>1,250.6</b>	<b>214.1</b>	<b>1,464.7</b>
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-0.7	-0.7
Dividend 2010 paid in 2011	-	-	-	-	-	-	-23.5	-	-	-	-23.5	-7.3	-30.8
Put options treatment - Movement of the period	-	-	-	-	-	-	-	-	-	-	-	-1.6	-1.6
Scope exit (see note 41)	-	-	-	-	-	-	-	-	-	-	-	-265.2	-265.2
Other movements	-	-	-	2.5	-	-	-0.2	-	-	-	2.3	-0.6	1.7
Total comprehensive income	-	-	-	-	-0.1	24.2	312.6	-51.0	8.8	6.6	301.1	62.9	364.0
<b>At 31 December 2011</b>	<b>160.0</b>	<b>24.4</b>	<b>-15.6</b>	<b>7.0</b>	<b>-</b>	<b>20.9</b>	<b>1,415.2</b>	<b>-89.4</b>	<b>24.7</b>	<b>-16.7</b>	<b>1,530.5</b>	<b>1.6</b>	<b>1,532.1</b>

# Consolidated Statement of Cash Flows

Year ended 31 December

EUR million	Notes	2011	2010 <sup>(1)</sup>
<b>Cash flows from operating activities - Continuing</b>			
Operating profit from continuing operations		351.5	328.0
Depreciation of vehicles for operating lease activities	5	62.6	61.5
Depreciation of other items	5	83.0	80.2
Amortisation of other intangible assets	5	24.2	26.5
Impairment losses on goodwill and other non-current assets	9	13.7	-
Other non-cash items	9	4.1	-159.9
Retirement benefit obligations		-25.7	-14.0
Purchase of vehicles for operating lease activities <sup>(2)</sup>		-183.7	-150.2
Sale of vehicles for operating lease activities <sup>(2)</sup>		106.4	95.7
Change in net working capital		-106.6	-56.8
<b>Cash generated from operations</b>		<b>329.5</b>	<b>211.0</b>
Tax paid		-40.2	-53.3
<b>Net cash from operating activities</b>		<b>289.3</b>	<b>157.7</b>
<b>Cash flows from investing activities - Continuing</b>			
Purchase of fixed assets (excl. vehicles)		-119.9	-137.9
Sale of fixed assets (excl. vehicles)		7.4	2.7
<b>Net capital expenditure</b>		<b>-112.5</b>	<b>-135.2</b>
Acquisition of non-controlling interest	9	-13.1	-0.3
Acquisition of subsidiaries (net of cash acquired)	9/12	-27.7	-29.8
Disposal of non-controlling interest	9	0.2	16.6
Disposal of subsidiaries (net of cash disposed of)	9/41	302.3	-
Net investment in other financial assets	25	2.5	-5.2
<b>Net cash from investing activities</b>		<b>151.7</b>	<b>-153.9</b>

<sup>1</sup> As restated (see note 2.1).

<sup>2</sup> Excluding vehicles held under buy-back agreements.

# Consolidated Statement of Cash Flows (continued)

Year ended 31 December

EUR million	Notes	2011	2010 <sup>(1)</sup>
<b>Cash flows from financing activities - Continuing</b>			
Net proceeds from rights issue	9	-	-111.3
Net disposal (acquisition) of treasury shares		-	4.7
Net capital element of finance lease payments		-23.7	-24.1
Net change in other borrowings		-227.7	-43.1
Net interest paid		-53.5	-57.8
Dividends paid by Parent	29	-23.5	-17.9
Dividends received from/(paid by) subsidiaries		-7.3	-6.0
<b>Net cash from financing activities</b>		<b>-335.7</b>	<b>-255.5</b>
<b>Cash flows from continuing activities</b>		<b>105.3</b>	<b>-251.7</b>
<b>Cash flows from discontinued operations</b>	41	<b>-122.2</b>	<b>170.6</b>
<b>TOTAL CASH FLOW FOR THE PERIOD</b>		<b>-16.9</b>	<b>-81.1</b>
<b>Reconciliation with statement of financial position</b>			
Cash at beginning of period	28	127.8	91.5
Cash equivalents at beginning of period	28	139.4	256.7
<b>Cash and cash equivalents at beginning of period</b>	28	<b>267.2</b>	<b>348.2</b>
Total cash flow for the period		-16.9	-81.1
Translation differences		-0.2	0.1
<b>Cash and cash equivalents at end of period</b>		<b>250.1</b>	<b>267.2</b>
<i>Included within "Cash and cash equivalents"</i>	28	<i>250.0</i>	<i>267.2</i>
<i>Included within "Non-current assets classified as held for sale"</i>	23	<i>0.1</i>	<i>-</i>

<sup>1</sup> As restated (see note 2.1).

# Notes to the Consolidated Financial Statements

## NOTE 1: GENERAL INFORMATION

s.a. D'leteren n.v. (the Company or the Parent) is a public company incorporated and domiciled in Belgium, whose controlling shareholders are listed in note 29. The address of the Company's registered office is:

Rue du Mail 50  
B-1050 Brussels

The Company and its subsidiaries (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 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 33 countries serving over 13 million customers.

The Company is listed on Euronext Brussels.

These consolidated financial statements have been approved for issue by the Board of Directors on 28 February 2012.

## NOTE 2: ACCOUNTING POLICIES

### Note 2.1: Basis of Preparation

These 2011 consolidated financial statements are for the 12 months ended 31 December 2011. 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").

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 and financial assets and financial liabilities (including derivative instruments) that have been measured at fair value.

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. 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 disclosed in the relevant notes.

### Significant transactions

In June 2011 the Boards of Avis Budget Group, Inc. and Avis Europe plc announced that they had reached agreement on the terms of a recommended cash acquisition of the entire share capital of Avis Europe plc by Avis Budget Group by way of a Court-sanctioned Scheme of arrangement between Avis Europe plc and the Avis Europe shareholders under Part 26 of the UK Companies Act. The Board of Directors of the Parent undertook irrevocably to vote in favour of this Scheme, which was effective on 3 October 2011. The Board of Directors of the Parent considered that the Group had lost control at this effective date and has therefore de-consolidated Avis Europe plc and its subsidiaries (Car Rental segment) as from 1 October 2011. The Board of Directors of the Parent also considered that the recognition criteria as defined in IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations" were met and has therefore decided to present the 9 months results of the Car Rental segment as a discontinued operation. The consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flows for the year ended 31 December 2010 have been restated accordingly. See note 41 of these consolidated financial statements for more information and adequate disclosures.

On 10 October 2011 the Parent and Volkswagen Financial Services (a subsidiary of the Volkswagen group) announced that they had reached an agreement to create a joint venture, Volkswagen D'leteren Finance (VDFin), intended to provide a full range of financial services related to the sale of the Volkswagen group vehicles on the Belgian market. VDFin will be operational in early 2012 and will be created by the contribution of D'leteren Lease s.a., the Group subsidiary active in operating leases, and of the Volkswagen Bank Belgium operations. VDFin will be 50% owned (minus one share) by the Group and 50% owned (plus one share) by Volkswagen Financial Services. Both parties signed the shareholders' agreement on 23 December 2011. The Board of Directors of the Parent has considered that the Parent is committed to a sale plan of D'leteren Lease which will involve loss of control of its subsidiary, and has therefore classified in the consolidated statement of financial position as at 31 December 2011 all the assets and liabilities of its subsidiary as held for sale; the recognition criteria defined in IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations" being satisfied. See note 23 of these consolidated financial statements for more information and adequate disclosures.



## 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 estimates of amounts reported in the interim financial reporting have not been changed significantly during the final interim period of the financial year.

The following new standards, amendments to standards and interpretations are mandatory for the first time for the Group's accounting period beginning 1 January 2011:

- Amendment to IAS 24 "Related Party Disclosures" (effective 1 January 2011);
- Amendment to IAS 32 "Financial Instruments: Presentation – Classification of Rights Issues" (effective 1 February 2010);
- Amendment to IFRIC 14 "Prepayments of a Minimum Funding Requirement" (effective 1 January 2011);
- IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments" (effective 1 July 2010);
- Improvements to IFRSs amending IAS 1, IAS 27, IAS 34, IFRS 1, IFRS 3, IFRS 7 and IFRIC 13 (issued by the IASB in May 2010 – effective 1 January 2011).

These new amendments and interpretations have no significant impact on the Group's consolidated financial statements.

The 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 2012 or later periods but which the Group has not early adopted, are:

- Amendment to IFRS 7 "Financial Instruments: Disclosures" (effective 1 July 2011 – subject to endorsement by the EU);
- Amendment to IAS 12 "Income Taxes – Deferred Taxes" (effective 1 January 2012 – subject to endorsement by the EU);
- Amendment to IAS 1 "Presentation of Financial Statements: Other Comprehensive Income" (effective 1 July 2012 – subject to endorsement by the EU);
- Amendment to IAS 19 "Employee Benefits" (effective 1 January 2013 – subject to endorsement by the EU);
- Amendment to IAS 27 Revised "Separate Financial Statements" (effective 1 January 2013 – subject to endorsement by the EU);
- Amendment to IAS 28 Revised "Investments in Associates and Joint Ventures" (effective 1 January 2013 – subject to endorsement by the EU);
- IFRS 9 "Financial Instruments" (effective 1 January 2015 – subject to endorsement by the EU);
- IFRS 10 "Consolidated Financial Statements" (effective 1 January 2013 – subject to endorsement by the EU);
- IFRS 11 "Joint Arrangements" (effective 1 January 2013 – subject to endorsement by the EU);
- IFRS 12 "Disclosure of Interests in Other Entities" (effective 1 January 2013 – subject to endorsement by the EU);
- IFRS 13 "Fair Value Measurement" (effective 1 January 2013 – subject to endorsement by the EU).

The Group is currently assessing the impact of the new standards, interpretations and amendments listed above.

### 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 govern the financial and operating policies are consolidated. 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, generally accompanying a shareholding of between 20% and 50% of the voting rights. 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

Interests in jointly controlled entities 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. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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 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 incurred are expensed.

## 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.

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 amortised over their useful life in accordance with the following methods:

- Computer software programmes: straight-line method over 2 to 7 years;
- Safelite's customer contracts: straight-line method over 10 years (as from March 2007);
- Cindy Rowe's customer contracts: straight-line method over 7 years (as from January 2009);
- Diamond's customer contracts: straight-line method over 7 years (as from July 2008);
- IGD's customer contracts: straight-line method over 7 years (as from October 2009);
- Car et Bus customer contracts: straight-line method over 4 years (as from March 2010);
- Canada's customer contracts: straight-line method between 1 and 6 years;
- AUTO GLASS SPECIALISTS® and ELITE AUTO GLASS™ brands: straight-line method over 2.5 years (as from 1 July 2008);
- DIAMOND TRIUMPH GLASS™ brand: straight-line method over 24 months (as from 1 July 2008);
- CINDY ROWE AUTO GLASS™ brand: straight-line method over 3 years (as from 1 January 2009);
- Auto Glass Center Inc and Alliance Claims Solutions brands (IGD acquisition): straight-line method over 3 years (as from 1 October 2009);
- Car et Bus® brand: straight-line method over 2 years (as from 1 January 2010);
- Apple and Autostock brand: straight-line method over 2 years (as from the beginning of 2011).

Amortisation periods are reassessed annually. When brands are expected to generate net cash inflows during a limited period, they are amortised over their remaining useful lives.

The brands CARGLASS® and AUTOGLASS®, acquired in 1999, as well as GLASPRO™, SPEEDY GLASS®, APPLE AUTO GLASS® and WINDSHIELD PROS™ acquired in 2005, 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. 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.

### 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.

## NOTE 2: ACCOUNTING POLICIES (CONTINUED)

### 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 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;
- Straight-line depreciation on the vehicle fleet is based on the acquisition costs of the vehicles, estimates of their future residual values, and expected holding periods.

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 where the Group has transferred substantially all the risks and rewards of ownership 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.

**Vehicles purchased under buy-back agreements**

Vehicles purchased under buy-back agreements are not recognised as assets since these arrangements are accounted for as operating leases (lessee accounting). The difference between the purchase price and the resale price (buy-back obligation of the supplier) is considered as deferred expense, while a trade receivable is recognised for the resale price. The deferred expense is recognised within cost of sale 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.

## NOTE 2: ACCOUNTING POLICIES (CONTINUED)

### 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. 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.

### 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. In countries where there is no deep market in such bonds, the market rates on government bonds are used. 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 over the average period 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 past service cost, plus 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.

**NOTE 2: ACCOUNTING POLICIES (CONTINUED)****Financial Instruments Excluding Derivatives**

The Group classifies its financial assets in the following categories: at fair value through profit or loss, 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. Derivatives are also categorised as held for trading unless they are designated as hedges. 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) 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. 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.

**(c) 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 at fair value. Unless accounted for as hedges, they are classified as held for trading and are subsequently measured at fair value.

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. At that time, any cumulative gain or loss recognised in other comprehensive income is transferred to profit or loss. 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.

## NOTE 2: ACCOUNTING POLICIES (CONTINUED)

### 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.

### 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 "sales". 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.

All cash-settled ESOP (i.e. granted before, on, or after 7 November 2002) are recognised as liabilities, and their cost is recognised in the income statement over the related vesting 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.

## NOTE 2: ACCOUNTING POLICIES (CONTINUED)

### 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 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 taxes 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 as defined by IFRS 3 of the cost of a business combination;
- (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 Income Statement - Operating Segments (Year ended 31 December)

EUR million	Notes	2011				2010 <sup>(1)</sup>			
		Automobile Distribution	Vehicle Glass	Elimina- tions	Group	Automobile Distribution	Vehicle Glass	Elimina- tions	Group
External sales	4	3,208.3	2,769.0		5,977.3	2,732.9	2,800.9		5,533.8
Inter-segment sales		8.5	2.1	-10.6	-	8.2	3.7	-11.9	-
<b>Segment sales</b>		<b>3,216.8</b>	<b>2,771.1</b>	<b>-10.6</b>	<b>5,977.3</b>	<b>2,741.1</b>	<b>2,804.6</b>	<b>-11.9</b>	<b>5,533.8</b>
<b>Operating result (being segment result)</b>	5	<b>116.7</b>	<b>234.8</b>		<b>351.5</b>	<b>92.6</b>	<b>235.4</b>		<b>328.0</b>
<i>of which: current items</i>	5	114.9	262.3		377.2	92.6	255.6		348.2
<i>unusual items and re-measurements</i>	5	1.8	-27.5		-25.7	-	-20.2		-20.2
Net finance costs	6	-21.6	-32.5		-54.1	-24.7	-28.9		-53.6
<b>Result before taxes</b>	9	<b>95.1</b>	<b>202.3</b>		<b>297.4</b>	<b>67.9</b>	<b>206.5</b>		<b>274.4</b>
<i>of which: current items</i>	9	92.1	229.9		322.0	64.6	226.6		291.2
<i>unusual items and re-measurements</i>	9	3.0	-27.6		-24.6	3.3	-20.1		-16.8
Share of result of entities accounted for using the equity method	7	-0.1	-		-0.1	0.5	-		0.5
Tax expense	8	2.7	-46.4		-43.7	-4.0	-54.1		-58.1
<b>Result from continuing operations</b>		<b>97.7</b>	<b>155.9</b>		<b>253.6</b>	<b>64.4</b>	<b>152.4</b>		<b>216.8</b>
<i>of which: current items</i>		97.4	175.0		272.4	61.7	166.8		228.5
<i>unusual items and re-measurements</i>		0.3	-19.1		-18.8	2.7	-14.4		-11.7
Discontinued operations	41				122.4				19.4
<b>RESULT FOR THE PERIOD</b>					<b>376.0</b>				<b>236.2</b>
Attributable to :		Automobile Distribution	Vehicle Glass	Discon- tinued operations	Group	Automobile Distribution	Vehicle Glass	Discon- tinued operations	Group
Equity holders of the Parent		98.3	144.6	69.7	312.6	64.7	142.1	12.0	218.8
<i>of which: current items</i>	9	98.0	162.3	51.7	312.0	62.0	155.5	16.7	234.2
<i>unusual items and re-measurements</i>		0.3	-17.7	18.0	0.6	2.7	-13.4	-4.7	-15.4
Non-controlling interest		-0.6	11.3	52.7	63.4	-0.3	10.3	7.4	17.4
<b>RESULT FOR THE PERIOD</b>		<b>97.7</b>	<b>155.9</b>	<b>122.4</b>	<b>376.0</b>	<b>64.4</b>	<b>152.4</b>	<b>19.4</b>	<b>236.2</b>

<sup>1</sup> As restated (see note 2.1).

## NOTE 3: SEGMENT INFORMATION (CONTINUED)

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

EUR million	Notes	2011			2010			
		Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Car Rental	Vehicle Glass	Group
Goodwill	11	6.2	1,019.8	1,026.0	2.6	0.2	1,001.8	1,004.6
Other intangible assets	13	1.8	426.6	428.4	1.2	363.9	427.1	792.2
Vehicles	14	-	-	-	304.8	353.5	-	658.3
Other property, plant and equipment	15	143.2	293.1	436.3	139.1	58.8	277.5	475.4
Investment property	16	5.6	-	5.6	5.8	-	-	5.8
Equity accounted investments	7	3.8	-	3.8	4.0	16.3	-	20.3
Available-for-sale financial assets	17	0.5	-	0.5	0.5	0.5	0.2	1.2
Derivative hedging instruments	18	-	15.7	15.7	-	4.8	-	4.8
Derivatives held for trading	19	-	-	-	-	2.2	-	2.2
Long-term employee benefit assets	20	-	30.5	30.5	-	-	39.2	39.2
Deferred tax assets	21	0.1	54.2	54.3	1.2	41.4	49.7	92.3
Other receivables	22	0.9	2.1	3.0	1.4	-	2.6	4.0
<b>Non-current assets</b>		<b>162.1</b>	<b>1,842.0</b>	<b>2,004.1</b>	<b>460.6</b>	<b>841.6</b>	<b>1,798.1</b>	<b>3,100.3</b>
Non-current assets classified as held for sale	23	347.7	-	347.7	1.7	-	-	1.7
Inventories	24	370.6	256.3	626.9	310.4	7.1	233.9	551.4
Derivative hedging instruments	18	-	1.1	1.1	-	-	0.1	0.1
Derivatives held for trading	19	12.0	0.3	12.3	14.8	2.7	2.2	19.7
Other financial assets	25	-	1.1	1.1	8.9	-	17.0	25.9
Current tax assets	26	0.1	7.6	7.7	0.1	1.6	4.2	5.9
Trade and other receivables	27	145.8	253.6	399.4	120.8	1,026.1	238.0	1,384.9
Cash and cash equivalents	28	213.5	36.5	250.0	2.1	231.7	33.4	267.2
<b>Current assets</b>		<b>1,089.7</b>	<b>556.5</b>	<b>1,646.2</b>	<b>458.8</b>	<b>1,269.2</b>	<b>528.8</b>	<b>2,256.8</b>
<b>TOTAL ASSETS</b>		<b>1,251.8</b>	<b>2,398.5</b>	<b>3,650.3</b>	<b>919.4</b>	<b>2,110.8</b>	<b>2,326.9</b>	<b>5,357.1</b>

### NOTE 3: SEGMENT INFORMATION (CONTINUED)

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

EUR million	Notes	2011			2010			
		Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Car Rental	Vehicle Glass	Group
Capital and reserves attributable to equity holders		1,530.5	-	1,530.5	1,250.6	-	-	1,250.6
Non-controlling interest		0.5	1.1	1.6	1.1	212.2	0.8	214.1
<b>Equity</b>		<b>1,531.0</b>	<b>1.1</b>	<b>1,532.1</b>	<b>1,251.7</b>	<b>212.2</b>	<b>0.8</b>	<b>1,464.7</b>
Long-term employee benefit obligations	20	5.4	53.7	59.1	5.6	68.0	36.5	110.1
Other provisions	30	31.8	36.8	68.6	31.7	27.4	37.0	96.1
Derivative hedging instruments	18	-	-	-	-	17.3	-	17.3
Borrowings	31/32	251.3	536.9	788.2	537.5	460.5	740.6	1,738.6
Derivatives held for trading	19	-	1.1	1.1	-	-	0.1	0.1
Put options granted to non-controlling shareholders	33	154.0	-	154.0	163.0	-	-	163.0
Other payables	34	-	7.7	7.7	-	-	13.3	13.3
Deferred tax liabilities	21	16.3	29.3	45.6	20.8	118.6	17.2	156.6
<b>Non-current liabilities</b>		<b>458.8</b>	<b>665.5</b>	<b>1,124.3</b>	<b>758.6</b>	<b>691.8</b>	<b>844.7</b>	<b>2,295.1</b>
Liabilities associated with non-current assets held for sale	23	333.2	-	333.2	-	-	-	-
Provisions	30	-	8.9	8.9	-	20.9	4.4	25.3
Derivative hedging instruments	18	-	-	-	-	10.1	2.8	12.9
Borrowings	31/32	12.0	41.1	53.1	29.1	297.5	29.6	356.2
Inter-segment financing	31	-240.0	240.0	-	-	-	-	-
Derivatives held for trading	19	7.2	0.4	7.6	14.3	8.9	1.4	24.6
Current tax liabilities	26	0.2	33.2	33.4	0.3	20.3	40.1	60.7
Trade and other payables	35	189.7	368.0	557.7	199.1	528.3	390.2	1,117.6
<b>Current liabilities</b>		<b>302.3</b>	<b>691.6</b>	<b>993.9</b>	<b>242.8</b>	<b>886.0</b>	<b>468.5</b>	<b>1,597.3</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,292.1</b>	<b>1,358.2</b>	<b>3,650.3</b>	<b>2,253.1</b>	<b>1,790.0</b>	<b>1,314.0</b>	<b>5,357.1</b>

## NOTE 3: SEGMENT INFORMATION (CONTINUED)

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

EUR million	Notes	2011			2010 <sup>(1)</sup>		
		Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
<b>Cash flows from operating activities - Continuing</b>							
Operating profit from continuing operations		116.7	234.8	351.5	92.6	235.4	328.0
Depreciation of vehicles for operating lease activities	5	62.6	-	62.6	61.5	-	61.5
Depreciation of other items	5	12.0	71.0	83.0	12.2	68.0	80.2
Amortisation of other intangible assets	5	0.8	23.4	24.2	1.0	25.5	26.5
Impairment losses on goodwill and other non-current assets	9	-	13.7	13.7	-	-	-
Other non-cash items	9	2.0	2.1	4.1	-0.2	-159.7	-159.9
Retirement benefit obligations		-0.3	-25.4	-25.7	-0.4	-13.6	-14.0
Purchase of vehicles for operating lease activities <sup>(2)</sup>		-183.7	-	-183.7	-150.2	-	-150.2
Sale of vehicles for operating lease activities <sup>(2)</sup>		106.4	-	106.4	95.7	-	95.7
Change in net working capital		-53.0	-53.6	-106.6	-33.9	-22.9	-56.8
<b>Cash generated from operations</b>		<b>63.5</b>	<b>266.0</b>	<b>329.5</b>	<b>78.3</b>	<b>132.7</b>	<b>211.0</b>
Tax paid		-2.5	-37.7	-40.2	-0.2	-53.1	-53.3
<b>Net cash from operating activities</b>		<b>61.0</b>	<b>228.3</b>	<b>289.3</b>	<b>78.1</b>	<b>79.6</b>	<b>157.7</b>
<b>Cash flows from investing activities - Continuing</b>							
Purchase of fixed assets (excl. vehicles)		-16.9	-103.0	-119.9	-18.2	-119.7	-137.9
Sale of fixed assets (excl. vehicles)		2.9	4.5	7.4	0.1	2.6	2.7
<b>Net capital expenditure</b>		<b>-14.0</b>	<b>-98.5</b>	<b>-112.5</b>	<b>-18.1</b>	<b>-117.1</b>	<b>-135.2</b>
Acquisition of non-controlling interest	9	-13.1	-	-13.1	-0.3	-	-0.3
Acquisition of subsidiaries (net of cash acquired)	9/12	-3.3	-24.4	-27.7	-	-29.8	-29.8
Disposal of non-controlling interest	9	-	0.2	0.2	16.6	-	16.6
Disposal of subsidiaries (net of cash disposed of)	9/41	302.3	-	302.3	-	-	-
Net investment in other financial assets	25	1.2	1.3	2.5	0.6	-5.8	-5.2
<b>Net cash from investing activities</b>		<b>273.1</b>	<b>-121.4</b>	<b>151.7</b>	<b>-1.2</b>	<b>-152.7</b>	<b>-153.9</b>

<sup>1</sup> As restated (see note 2.1).<sup>2</sup> Excluding vehicles held under buy-back agreements.

### NOTE 3: SEGMENT INFORMATION (CONTINUED)

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

EUR million	Notes	2011			2010 <sup>(1)</sup>		
		Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
<b>Cash flows from financing activities - Continuing</b>							
Net proceeds from rights issue	9	-	-	-	-111.3	-	-111.3
Net disposal/(acquisition) of treasury shares		-	-	-	4.7	-	4.7
Net capital element of finance lease payments		-	-23.7	-23.7	-	-24.1	-24.1
Net change in other borrowings		-276.3	48.6	-227.7	-274.0	230.9	-43.1
Net interest paid		-25.0	-28.5	-53.5	-29.8	-28.0	-57.8
Dividends paid by Parent	29	-23.5	-	-23.5	-17.9	-	-17.9
Dividends received from/(paid by) subsidiaries		92.7	-100.0	-7.3	94.0	-100.0	-6.0
<b>Net cash from financing activities</b>		<b>-232.1</b>	<b>-103.6</b>	<b>-335.7</b>	<b>-334.3</b>	<b>78.8</b>	<b>-255.5</b>
<b>Cash flows from continuing operations</b>		<b>102.0</b>	<b>3.3</b>	<b>105.3</b>	<b>-257.4</b>	<b>5.7</b>	<b>-251.7</b>
<b>Cash flows from discontinued operations</b>	41			<b>-122.2</b>			<b>170.6</b>
<b>TOTAL CASH FLOW FOR THE PERIOD</b>				<b>-16.9</b>			<b>-81.1</b>

EUR million	Notes	2011				2010 <sup>(1)</sup>			
		Automobile Distribution	Vehicle Glass	Discon- tinued operations	Group	Automobile Distribution	Vehicle Glass	Discon- tinued operations	Group
<b>Reconciliation with statement of financial position</b>									
Cash at beginning of period	28	2.1	33.4	92.3	127.8	24.7	28.1	38.7	91.5
Cash equivalents at beginning of period	28	-	-	139.4	139.4	234.8	-	21.9	256.7
<b>Cash and cash equivalents at beginning of period</b>	28	<b>2.1</b>	<b>33.4</b>	<b>231.7</b>	<b>267.2</b>	<b>259.5</b>	<b>28.1</b>	<b>60.6</b>	<b>348.2</b>
Total cash flow for the period					-16.9				-81.1
Translation differences					-0.2				0.1
<b>Cash and cash equivalents at end of period</b>					<b>250.1</b>				<b>267.2</b>
<i>Of which "Cash and cash equivalents - Automobile Distribution"</i>	28				<i>213.5</i>				<i>2.1</i>
<i>Of which "Cash and cash equivalents - Car Rental"</i>	28				<i>-</i>				<i>231.7</i>
<i>Of which "Cash and cash equivalents - Vehicle Glass"</i>	28				<i>36.5</i>				<i>33.4</i>
<i>Of which "Cash classified as held for sale - Autom. Distribution"</i>	23				<i>0.1</i>				<i>-</i>

<sup>1</sup> As restated (see note 2.1).

**NOTE 3: SEGMENT INFORMATION (CONTINUED)****Note 3.5: Other Segment Information - Operating Segments (Year ended 31 December)**

EUR million	2011			2010 <sup>(1)</sup>		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Capital additions <sup>(2)</sup>	205.3	147.1	352.4	168.4	177.2	345.6

(1) As restated (see note 2.1).

(2) 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 world.

EUR million	2011				2010 <sup>(2)</sup>			
	Belgium	Rest of Europe	Rest of world	Group	Belgium	Rest of Europe	Rest of world	Group
Segment sales from external customers <sup>(1 - 2)</sup>	3,098.0	1,609.2	1,270.1	5,977.3	2,702.7	1,594.2	1,236.9	5,533.8
Non-current assets <sup>(3)</sup>	171.2	1,164.9	563.2	1,899.3	469.9	1,909.7	560.7	2,940.3
Capital additions <sup>(2 - 4)</sup>	211.9	49.7	90.8	352.4	174.9	76.1	94.6	345.6

<sup>1</sup> Based on the geographical location of the customers.

<sup>2</sup> As restated (see note 2.1).

<sup>3</sup> 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.

<sup>4</sup> Capital additions include both additions and acquisitions through business combinations including goodwill.

## NOTE 4: SALES

EUR million	2011	2010 <sup>(1)</sup>
New vehicles	2,649.8	2,204.4
Used cars	115.3	103.9
Spare parts and accessories	178.0	167.6
After-sales activities by D'leteren Car Centers	57.4	54.7
D'leteren Sport	32.3	35.8
D'leteren Lease	146.6	141.4
Rental income under buy-back agreements	4.5	2.7
Other sales	24.4	22.4
<b>Subtotal Automobile Distribution</b>	<b>3,208.3</b>	<b>2,732.9</b>
<b>Vehicle Glass</b>	<b>2,769.0</b>	<b>2,800.9</b>
<b>SALES (EXTERNAL)</b>	<b>5,977.3</b>	<b>5,533.8</b>
<i>of which: sales of goods</i>	<i>3,158.1</i>	<i>2,692.4</i>
<i>rendering of services</i>	<i>2,818.4</i>	<i>2,840.7</i>
<i>royalties</i>	<i>0.8</i>	<i>0.7</i>

<sup>1</sup> As restated (see note 2.1).

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	2011			2010 <sup>(1)</sup>		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
<b>Current items:</b>						
Purchases and changes in inventories	-2,700.8	-660.5	-3,361.3	-2,286.8	-674.0	-2,960.8
Depreciation of vehicles	-64.4	-	-64.4	-61.5	-	-61.5
Depreciation of other items (excl. investment property)	-11.6	-71.0	-82.6	-11.7	-68.0	-79.7
Amortisation (excl. re-measurements - see note 9)	-0.8	-13.8	-14.6	-1.0	-10.5	-11.5
Other operating lease rentals <sup>(2)</sup>	-	-142.9	-142.9	-	-139.2	-139.2
Write-down on inventories	-1.2	0.3	-0.9	-1.0	-2.1	-3.1
Net gain (loss) on vehicles	4.8	-	4.8	4.5	-	4.5
Employee benefit expenses (see note 36)	-142.0	-998.9	-1,140.9	-130.0	-1,022.7	-1,152.7
Research and development expenditure	-	-1.2	-1.2	-	-3.2	-3.2
Sundry	-177.9	-622.1	-800.0	-153.5	-622.1	-775.6
Other operating expenses:						
Bad and doubtful debts	-	3.0	3.0	0.3	-2.8	-2.5
Investment property expenses:						
Depreciation	-0.5	-	-0.5	-0.5	-	-0.5
Operating expenses <sup>(3)</sup>	-0.1	-	-0.1	-0.1	-	-0.1
Sundry	-0.1	-0.6	-0.7	0.4	-0.7	-0.3
Subtotal other operating expenses	-0.7	2.4	1.7	0.1	-3.5	-3.4
Other operating income:						
Gain on property, plant and equipment	0.1	1.0	1.1	-	-	-
Rental income from investment property <sup>(4)</sup>	0.6	-	0.6	0.6	-	0.6
Sundry	0.5	-	0.5	-	-	-
Subtotal other operating income	1.2	1.0	2.2	0.6	-	0.6
<b>Subtotal current items</b>	<b>-3,093.4</b>	<b>-2,506.7</b>	<b>-5,600.1</b>	<b>-2,640.3</b>	<b>-2,545.3</b>	<b>-5,185.6</b>
<b>Unusual items and re-measurements (see note 9)</b>	<b>1.8</b>	<b>-27.5</b>	<b>-25.7</b>	<b>-</b>	<b>-20.2</b>	<b>-20.2</b>
<b>NET OPERATING EXPENSES</b>	<b>-3,091.6</b>	<b>-2,534.2</b>	<b>-5,625.8</b>	<b>-2,640.3</b>	<b>-2,565.5</b>	<b>-5,205.8</b>

<sup>1</sup> As restated (see note 2.1).<sup>2</sup> Primarily hire of vehicles and other plant and equipment in relation with the business activity.<sup>3</sup> The full amount is related to investment property that generated rental income.<sup>4</sup> Does not include any contingent rent.



## NOTE 6: NET FINANCE COSTS

Net finance costs are broken down as follows:

EUR million	2011			2010 <sup>(1)</sup>		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
<b>Current items:</b>						
Finance costs:						
<i>Interest expense</i>	-23.5	-35.2	-58.7	-25.2	-28.3	-53.5
<i>Transfer from re-measurements</i>	-0.9	1.4	0.5	-3.8	-2.0	-5.8
Current interest expense	-24.4	-33.8	-58.2	-29.0	-30.3	-59.3
Other financial charges	-0.3	-	-0.3	-0.4	-	-0.4
Subtotal finance costs	-24.7	-33.8	-58.5	-29.4	-30.3	-59.7
Finance income	1.9	1.4	3.3	1.4	1.3	2.7
<b>Current net finance costs</b>	<b>-22.8</b>	<b>-32.4</b>	<b>-55.2</b>	<b>-28.0</b>	<b>-29.0</b>	<b>-57.0</b>
<b>Unusual items and re-measurements (see note 9):</b>						
Re-measurements of put options granted to non-controlling interest	-0.6	-	-0.6	-1.4	-	-1.4
Re-measurements of financial instruments:						
<i>Gains (Losses) on "dirty" fair value of derivatives <sup>(2)</sup></i>	0.9	1.3	2.2	0.9	-1.9	-1.0
<i>Transfer to current items</i>	0.9	-1.4	-0.5	3.8	2.0	5.8
Subtotal gains (losses) on "clean" fair value of derivatives <sup>(2)</sup>	1.8	-0.1	1.7	4.7	0.1	4.8
<b>Unusual items and re-measurements</b>	<b>1.2</b>	<b>-0.1</b>	<b>1.1</b>	<b>3.3</b>	<b>0.1</b>	<b>3.4</b>
<b>NET FINANCE COSTS</b>	<b>-21.6</b>	<b>-32.5</b>	<b>-54.1</b>	<b>-24.7</b>	<b>-28.9</b>	<b>-53.6</b>

<sup>1</sup> As restated (see note 2.1).

<sup>2</sup> Change in "dirty" fair value of derivatives corresponds to the change of value of the derivatives between the beginning and the end of the period. Change in "clean" fair value of derivatives corresponds to the change of "dirty" fair value excluding the accrued cash flows of the derivatives that occurred during the period.

**NOTE 7: ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD**

In 2011, four group entities are accounted for using the equity method.

D'leteren Vehicle Trading s.a. is a 49%-owned associate which provides finance lease services to customers of the Automobile Distribution segment. In 2010, the Automobile Distribution segment acquired 33% of the company S.M.A.R.T & Clean Automotive Services S.A. and of its subsidiary Riankar, both acting in smart repairs on vehicles.

At year end, the Automobile Distribution's interest in these three associates comprised:

EUR million	2011	2010
Share of gross assets (incl. goodwill)	45.5	36.8
Share of gross liabilities	-41.8	-32.8
Share of net assets	3.7	4.0
Share of sales	13.8	12.2
Share of profit (loss)	-0.1	0.5

In November 2011, the Parent and Volkswagen Financial Services (a subsidiary of the Volkswagen group) incorporated a joint venture, Volkswagen D'leteren Finance (VDFin), intended to provide a full range of financial services related to the sale of the Volkswagen group vehicles on the Belgian market. VDFin is 50% owned (minus one share) by the Group and 50% owned (plus one share) by Volkswagen Financial Services. VDFin will be operational in early 2012 with the contribution of D'leteren Lease s.a., the Group subsidiary active in operating leases, and of the Volkswagen Bank Belgium operations.

At 2011 year end, the Automobile Distribution's interest in this joint venture comprised its share in the cash subscription (EUR 0.1 million) at incorporation of the joint venture.

In 2010, Mercury Car Rentals Ltd was a 33%-owned associate of Avis Europe plc which provided short-term car rental services in India under the Avis brand. At 2010 year end, the Car Rental's interest in this associate comprised:

EUR million	2011	2010
Share of gross assets (incl. goodwill)	-	3.0
Share of gross liabilities	-	-2.5
Share of net assets	-	0.5
Share of sales	-	4.1
Share of profit (loss)	-	-0.2

In 2010, Anji Car Rental and Leasing Company Ltd and OKIGO were 50%-owned joint ventures of Avis Europe plc which provided, under the Avis brand, short-term car rental services in China and France respectively. The Car Rental's interest comprised:

EUR million	2011	2010
Share of non-current assets (incl. goodwill)	-	38.8
Share of current assets	-	9.7
Share of current liabilities	-	-32.7
Share of net assets	-	15.8
Share of sales	-	26.1
Share of profit (loss)	-	2.5

## NOTE 8: TAX EXPENSE

Tax expense is broken down as follows:

EUR million	2011			2010 <sup>(1)</sup>		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Current year income tax	-1.9	-31.5	-33.4	-0.5	-40.2	-40.7
Prior year income tax	-	0.9	0.9	-	-1.2	-1.2
Movement in deferred taxes	4.6	-15.8	-11.2	-3.5	-12.7	-16.2
<b>Tax expense</b>	<b>2.7</b>	<b>-46.4</b>	<b>-43.7</b>	<b>-4.0</b>	<b>-54.1</b>	<b>-58.1</b>
<i>of which: current items</i>	5.4	-54.9	-49.5	-3.4	-59.8	-63.2
<i>unusual items and re-measurements (see note 9)</i>	-2.7	8.5	5.8	-0.6	5.7	5.1

<sup>1</sup> As restated (see note 2.1).

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

EUR million	2011			2010 <sup>(1)</sup>		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Result before taxes	95.1	202.3	297.4	67.9	206.5	274.4
Tax at the Belgian corporation tax rate of 33.99%	-32.3	-68.8	-101.1	-23.1	-70.2	-93.3
Reconciling items (sum of items marked (a) and (b) below)	35.0	22.4	57.4	19.1	16.1	35.2
<b>Actual tax on result before taxes</b>	<b>2.7</b>	<b>-46.4</b>	<b>-43.7</b>	<b>-4.0</b>	<b>-54.1</b>	<b>-58.1</b>

<sup>1</sup> As restated (see note 2.1).

**NOTE 8: TAX EXPENSE (CONTINUED)**

The reconciling items are provided below:

EUR million		2011			2010 <sup>(1)</sup>		
		Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Current PBT		92.1	229.9	322.0	64.6	226.6	291.2
Tax at the Belgian corporation tax rate of 33.99%		-31.3	-78.1	-109.4	-22.0	-77.0	-99.0
Rate differential	(a)	-	-2.2	-2.2	-	1.5	1.5
Permanent differences	(a)	21.1	30.8	51.9	14.7	14.3	29.0
Utilisation of tax losses	(a)	14.2	0.3	14.5	4.7	0.7	5.4
Adjustments in respect of prior years	(a)	6.1	-0.7	5.4	-	-4.7	-4.7
Deferred tax assets not recognised	(a)	-3.5	-5.0	-8.5	-2.6	-6.7	-9.3
Recognition of previously unrecognised deferred tax assets	(a)	1.5	-	1.5	3.3	12.1	15.4
Impact of dividends	(a)	-2.2	-	-2.2	-1.5	-	-1.5
Other	(a)	-0.5	-	-0.5	-	-	-
<b>Actual tax on current PBT</b>		<b>5.4</b>	<b>-54.9</b>	<b>-49.5</b>	<b>-3.4</b>	<b>-59.8</b>	<b>-63.2</b>
<i>Actual tax rate on current PBT</i>		<i>-6%</i>	<i>24%</i>	<i>15%</i>	<i>5%</i>	<i>26%</i>	<i>22%</i>
Unusual items and re-measurements in PBT		3.0	-27.6	-24.6	3.3	-20.1	-16.8
Tax at the Belgian corporation tax rate of 33.99%		-1.0	9.4	8.4	-1.1	6.8	5.7
Rate differential	(b)	-	-0.9	-0.9	-	-1.1	-1.1
Deferred tax assets not recognised	(b)	-1.7	-	-1.7	0.5	-	0.5
<b>Actual tax on unusual items and re-measurements in PBT</b>		<b>-2.7</b>	<b>8.5</b>	<b>5.8</b>	<b>-0.6</b>	<b>5.7</b>	<b>5.1</b>

<sup>1</sup> As restated (see note 2.1).

**NOTE 9: UNUSUAL ITEMS AND RE-MEASUREMENTS****Result for the Period**

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 in note 2, and excluding their tax impact.

Current result before tax ("current PBT") consists of the reported result before tax excluding unusual items and re-measurements as defined in note 2.

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.

## NOTE 9: UNUSUAL ITEMS AND RE-MEASUREMENTS (CONTINUED)

EUR million	2011			2010 <sup>(1)</sup>		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
<b>From reported PBT to current PBT, Group's share:</b>						
Reported PBT	95.1	202.3	297.4	67.9	206.5	274.4
Less: Unusual items and re-measurements in PBT:						
Re-measurements of financial instruments	-1.8 <i>(a)</i>	1.8 <i>(d)</i>	-	-4.7 <i>(a)</i>	-1.3 <i>(d)</i>	-6.0
Re-measurement of put options granted to non-controlling interest	0.6 <i>(b)</i>	-	0.6	1.4 <i>(b)</i>	-	1.4
Amortisation of customer contracts	-	6.3 <i>(e)</i>	6.3	-	6.3 <i>(e)</i>	6.3
Amortisation of brands with finite useful life	-	3.3 <i>(f)</i>	3.3	-	8.7 <i>(f)</i>	8.7
Other unusual items	-1.8 <i>(c)</i>	16.2 <i>(g)</i>	14.4	-	6.4 <i>(g)</i>	6.4
<b>Current PBT</b>	<b>92.1</b>	<b>229.9</b>	<b>322.0</b>	<b>64.6</b>	<b>226.6</b>	<b>291.2</b>
Share of non-controlling interest in current PBT	0.6	-16.8	-16.2	0.3	-15.3	-15.0
<b>Current PBT, Group's share</b>	<b>92.7</b>	<b>213.1</b>	<b>305.8</b>	<b>64.9</b>	<b>211.3</b>	<b>276.2</b>
<b>From current PBT, Group's share, to current PAT, Group's share:</b>						
Current PBT, Group's share	92.7	213.1	305.8	64.9	211.3	276.2
Share of the group in current result of equity accounted entities	-0.1	-	-0.1	0.5	-	0.5
Tax on current PBT, Group's share	5.4	-50.8	-45.4	-3.4	-55.8	-59.2
<b>Current PAT, Group's share</b>	<b>98.0</b>	<b>162.3</b>	<b>260.3</b>	<b>62.0</b>	<b>155.5</b>	<b>217.5</b>
<b>From current PAT, Group's share, to current result for the period attributable to equity holders of the Parent:</b>						
Current PAT, Group's share			260.3			217.5
Share of the group in current discontinued operations			51.7			16.7
<b>Current result for the period attributable to equity holders of the Parent</b>			<b>312.0</b>			<b>234.2</b>

<sup>1</sup> As restated (see note 2.1).

## Automobile Distribution

- (a) Net finance costs include re-measurements of financial instruments amounting to EUR 1.8 million (2010: EUR 4.7 million) arising from changes in the "clean" fair value of derivatives.
- (b) Net finance costs include re-measurements of put options granted to certain non-controlling interest (family holding company of Belron's CEO) amounting to EUR -0.6 million (2010: EUR -1.4 million). See note 33 of these Consolidated Financial Statements for more information.
- (c) At year-end, cost of sales includes an unusual adjustment on depreciation of vehicles (EUR 1.8 million) in relation with the future disposal of D'Ieteren Lease s.a. See notes 2.1. and 23 for more information.

## Vehicle Glass

- (d) Net finance costs and cost of sales include re-measurements of financial instruments amounting to respectively EUR -0.1 million (2010: EUR 0.1 million) and EUR -1.7 million (2010: EUR 1.2 million) arising from changes in the "clean" fair value of derivatives.
- (e) In the framework of recent US, French and Canadian acquisitions, customer contracts were recognised as an intangible asset with a finite useful life. The 2011 amortisation (in commercial and administrative expenses) amounted to EUR 6.3 million (2010: EUR 6.3 million).
- (f) Commercial and administrative expenses include the amortisation of US, French and Canadian brands with finite useful lives amounting to EUR 3.3 million (2010: EUR 8.7 million).

**NOTE 9: UNUSUAL ITEMS AND RE-MEASUREMENTS (CONTINUED)**

- (g) Other unusual items (in commercial and administrative expenses and other operating expenses) of the Vehicle Glass segment comprise impairment of certain intangible IT assets (EUR 13.7 million) and associated costs (EUR 1.0 million) following a change in strategy to leverage new technology, acquisition and integration costs in Canada (EUR 5.3 million), other reorganisation costs predominantly in France (EUR 7.9 million) offset by an unusual pension gain following the UK Government's change to the index used for increasing deferred state pensions (EUR 11.7 million). In 2010, restructuring costs of EUR 6.4 million (in other operating expenses) were incurred in relation to the integration of the US (IGD) and French acquisitions.

**Car Rental**

Unusual items and re-measurements of the Car Rental segment are detailed in note 41 of these consolidated financial statements.

**Comments related to the cash flow statement**

In 2010, the line "Other non-cash items" included, among other amounts, the utilisation of the provision previously set-up to cover the settlement of the long-term management incentive scheme of the Vehicle Glass segment.

In the period, the line "Acquisition of non-controlling interest" comprised the cash outflow arising from the price adjustment paid to Cobepa in relation to the put options they exercised in September 2009. In 2010, the line included the non-controlling interest acquired by the Automobile Distribution segment in two associates active in smart repairs (see note 7).

The line "Acquisition of subsidiaries" for the year ended 31 December 2011 included, among other transactions, the business combinations disclosed in note 12.

In 2010, the line "Disposal of non-controlling interest" included the sale in May 2010 of one percent of Belron's equity to the family holding company of Belron's CEO.

In the period, the line "Disposal of subsidiaries" included the proceeds of the sale of Avis Europe shares previously held by the Group (EUR 411.8 million after taking into account foreign exchange economic hedging), net of Avis Europe's cash disposed of (EUR 109.5 million).

In July 2010, Avis Europe plc raised EUR 179.2 million, net of expenses, through a 9 for 8 Rights Issue at an issue price of 15 pence per new share. D'leteren subscribed its share of the capital increase, i.e. EUR 111.3 million.

**NOTE 10: EARNINGS PER SHARE**

Earnings per share ("EPS") and earnings per share for continuing operations ("Continuing EPS") are shown above, on the face of the consolidated income statement. Basic and diluted EPS are based on the result for the period attributable to equity holders of the Parent (based on the result from continuing operations attributable to equity holders of the Parent for the continuing EPS), after adjustment for participating shares (each participating share confers one voting right and gives right to a dividend equal to one eighth of the dividend of an ordinary share). 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 (and of Avis Europe plc in 2010). Such shares constitute the only category of potentially dilutive ordinary shares.

In 2010, the options over ordinary shares of Avis Europe plc increased the weighted average number of shares of Avis Europe plc as certain related performance conditions were fully satisfied and the prevailing market price was in excess of the option exercise price.

The options over ordinary shares of the Parent increased the weighted average number of shares of the Parent in 2010 and 2011 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 as follows:

		2011	2010 <sup>(1)</sup>
Result for the period attributable to equity holders		312.6	218.8
Adjustment for participating shares		-3.5	-2.5
Numerator for EPS (EUR million)	(a)	309.1	216.3
Current result for the period attributable to equity holders		312.0	234.2
Adjustment for participating shares		-3.6	-2.6
Numerator for current EPS (EUR million)	(b)	308.4	231.6
Result from continuing operations		253.6	216.8
Share of non-controlling interest in result from continuing operations		-10.7	-10.0
Result from continuing operations attributable to equity holders		242.9	206.8
Adjustment for participating shares		-2.8	-2.4
Numerator for continuing EPS (EUR million)	(c)	240.1	204.4
Current result from continuing operations		272.4	228.5
Share of non-controlling interest in current result from continuing operations		-12.1	-11.0
Current result from continuing operations attributable to equity holders ["Current PAT, Group's share" as defined in note 9]		260.3	217.5
Adjustment for participating shares		-3.0	-2.5
Numerator for current continuing EPS (EUR million)	(d)	257.3	215.0
Weighted average number of ordinary shares outstanding during the period	(e)	54,581,442	54,427,166
Adjustment for stock option plans		339,500	344,461
Weighted average number of ordinary shares taken into account for diluted EPS	(f)	54,920,942	54,771,627
<b>Result for the period attributable to equity holders</b>			
<b>Basic EPS (EUR)</b>	<b>(a)/(e)</b>	<b>5.66</b>	<b>3.97</b>
<b>Diluted EPS (EUR)</b>	<b>(a)/(f)</b>	<b>5.63</b>	<b>3.95</b>
Basic current EPS (EUR)	(b)/(e)	5.65	4.26
Diluted current EPS (EUR)	(b)/(f)	5.62	4.23
Result from continuing operations attributable to equity holders			
Basic continuing EPS (EUR)	(c)/(e)	4.40	3.76
Diluted continuing EPS (EUR)	(c)/(f)	4.37	3.73
Basic current continuing EPS (EUR)	(d)/(e)	4.71	3.95
Diluted current continuing EPS (EUR)	(d)/(f)	4.68	3.93

<sup>1</sup> As restated (see note 2.1).

## NOTE 11: GOODWILL

EUR million	2011	2010
Carrying amount at 1 January	1,004.6	939.8
Additions	21.7	26.5
Increase arising from put options granted to non-controlling shareholders (see note 33)	1.6	25.8
Adjustments	0.6	-6.3
Scope exit	-0.9	-
Translation differences	-1.6	18.8
Carrying amount at 31 December	1,026.0	1,004.6

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

The increase arising from put options comprises the additional 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 2010 by the Vehicle Glass segment.

The scope exit is related to the de-consolidation of Avis Europe plc following its disposal in October 2011.

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, undertaken by calculating value in use, 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.

In determining the value in use, the Group calculated the present value of the estimated future cash flows expected to arise from the continuing use of the assets using a pre-tax discount rate of 9.1% (in 2010 : in the range from 8% to 9%). The discount rate applied is based upon the weighted average cost of capital of each segment with appropriate adjustment for the relevant risks associated with the businesses. Estimated future cash flows are based on long-term plans (i.e. over 3 years) for each cash-generating unit, with extrapolation thereafter based on long-term average growth rates for the individual cash-generating units. This growth rate is set at 2% (2010: in the range from 2% to 4%) for most of the units, including the ones that carry the most significant goodwill and intangible assets with indefinite useful lives.

Key assumptions in supporting the value of goodwill and intangible assets with indefinite useful lives include revenue growth rates, gross margin, operating expenses, discount rate and long-term growth rates. Gross margins are based on historical values achieved by the respective cash-generating units and global market trends. Operating expenses are based on historical levels suitably adjusted for increases in activity levels over the term of the cash projections. The cash flows assumptions of these cash-generating units form part of the latest financial projections as reviewed by the Board of Directors. The discount rate is based upon the weighted average cost of capital of each segment. Long-term growth rates are based upon industry analysis and are consistent with historical 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 to absorb a normal variation in the underlying assumptions. For information, an increase in discount rate of one percentage point and a decrease in long-term growth rate of one percentage point would not result in an impairment charge on goodwill and on other intangible assets with indefinite useful lives.



**NOTE 11: GOODWILL (CONTINUED)**

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	2011	2010
<b>Automobile Distribution</b>	<b>6.2</b>	<b>2.6</b>
<b>Car Rental</b>		
France	-	0.2
<b>Subtotal Car Rental</b>	<b>-</b>	<b>0.2</b>
<b>Vehicle Glass</b>		
United Kingdom	97.2	97.1
France	70.7	70.7
Italy	54.2	54.2
Germany	47.8	47.8
Canada	51.3	40.3
Holland	29.1	29.1
Belgium	27.1	27.1
Australia	27.3	24.8
United States	124.3	123.5
Spain	19.7	17.9
Norway	7.0	7.0
New Zealand	6.4	6.4
Greece	3.8	3.8
Sweden	4.9	4.5
Switzerland	2.1	2.1
Portugal	1.2	1.2
Denmark	5.2	5.2
Brazil	24.6	26.6
China	4.7	2.9
Russia	8.6	8.4
Turkey	4.8	4.8
Unallocated	397.8	396.4
<b>Subtotal Vehicle Glass</b>	<b>1,019.8</b>	<b>1,001.8</b>
<b>GROUP</b>	<b>1,026.0</b>	<b>1,004.6</b>

The unallocated amount in the Vehicle Glass segment 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).

**NOTE 12: BUSINESS COMBINATIONS**

The Group applies the revised version of IFRS 3 "Business Combinations" as from 1 January 2010.

During the period, the Group made the following acquisitions:

- On 1 January 2011, Belron acquired the assets of Jinan Xin Mei Ka Glass Ltd, a fitting and wholesale business in China.
- On 4 February 2011, Avis Europe acquired the remaining 50% of its French joint venture OKIGO.
- On 1 March 2011, Belron acquired the assets of Shenzhen Minky Automobile Glass Co. Ltd, a fitting business in China.
- On 7 March 2011, Belron acquired the assets of Bilglas Express, a fitting business with one branch in Sweden.
- On 1 April 2011, Belron acquired the assets of KST-Glass LLC, a wholesale business in Russia.
- On 4 April 2011, Belron acquired the assets of Tyresö Biglasa, a fitting business with one branch in Sweden.
- On 16 May 2011, Belron acquired the assets of Comercial Kuramoto de Autovidros Ltda, a fitting business in Brazil.
- On 27 May 2011, Belron acquired the assets of Capital Glass Pty Ltd, a flat glass replacement business in Australia.
- On 1 July 2011, Belron acquired the assets of Changsha Fuyao Vehicle Glass Parts Co. Ltd and Changzha Yinxi Glass Sales Co Ltd, a fitting business in China.
- In July 2011, the Parent acquired a 100% interest in Penders s.a. which operates a garage distributing the make Porsche in Belgium.
- On 4 July 2011, Belron acquired the assets of MN Comercio de Vidros Automotivos e Espamentos Ltda ME, a fitting business in Brazil.
- On 4 August 2011, Belron acquired the assets of Allglas i Örebro, a fitting business in Sweden.
- On 14 November 2011, Belron acquired the assets of Struder Autoglas GmbH & Co. KG, a fitting business in Austria.
- On 1 December 2011, Belron
- On 1 December 2011, Belron acquired the assets of EFK Glass BVBA, a fitting business in Belgium.
- During the year, Belron acquired 27 branches in Canada. These were all independently owned former Apple® or Duro® franchisees.

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 6.4 million and it is expected that the full amount can be collected. Acquisition-related costs of EUR 5.7 million are included in the consolidated income statement.

The goodwill on the 2010 acquisitions was increased by EUR 0.6 million reflecting fair value adjustments made to the initial valuations disclosed in note 12 of the 2010 Consolidated Financial Statements. This increase mainly reflects changes in the fair value of the net assets acquired.

## NOTE 12: BUSINESS COMBINATIONS (CONTINUED)

The additional sales arising subsequent to these acquisitions amount approximately to EUR 25 million (approximately EUR 48 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.

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

EUR million	Provisional fair value <sup>(1)</sup>
Other intangibles	2.1
Other property, plant & equipment	1.8
Inventories	4.5
Trade and other receivables	6.4
Cash and cash equivalents	1.4
Non-current borrowings	-0.2
Current borrowings	-2.5
Current tax liabilities	-0.4
Trade and other payables	-8.7
<b>Net assets acquired</b>	<b>4.4</b>
Goodwill (see note 11)	21.7
<b>CONSIDERATION</b>	<b>26.1</b>
Consideration satisfied by:	
Cash payment	22.6
Fair-value of previously held investment	-0.1
Estimation of fair value of the deferred consideration payable in the future	3.6
	<b>26.1</b>

<sup>1</sup> The fair values are provisional since the integration process of the acquired entities and businesses is still ongoing.

## NOTE 13: OTHER INTANGIBLE ASSETS

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

EUR million	Avis licence rights	Other licenses and similar rights	Brands (with finite and indefinite useful lives)	Customer contracts	Computer software	Other	Total
Gross amount at 1 January 2011	711.5	0.4	349.2	59.2	165.4	0.3	1,286.0
Accumulated amortisation and impairment losses at 1 January 2011	-358.9	-0.4	-16.6	-22.7	-94.9	-0.3	-493.8
<b>Carrying amount at 1 January 2011</b>	<b>352.6</b>	<b>-</b>	<b>332.6</b>	<b>36.5</b>	<b>70.5</b>	<b>-</b>	<b>792.2</b>
Additions:							
Items separately acquired	-	-	-	-	37.0	-	37.0
Disposals	-	-	-	-	-0.2	-	-0.2
Amortisation	-6.2	-	-3.3	-6.3	-17.1	-	-32.9
Impairment losses (see note 9)	-	-	-	-	-13.7	-	-13.7
Reversal of impairment losses (see note 41)	96.2	-	-	-	-	-	96.2
Items acquired through business combinations	-	-	-	2.1	-	-	2.1
Scope exit	-442.6	-	-	-	-10.8	-	-453.4
Translation differences	-	-	0.3	-	0.8	-	1.1
<b>Carrying amount at 31 December 2011</b>	<b>-</b>	<b>-</b>	<b>329.6</b>	<b>32.3</b>	<b>66.5</b>	<b>-</b>	<b>428.4</b>
<i>of which: gross amount</i>	<i>-</i>	<i>0.4</i>	<i>349.8</i>	<i>61.9</i>	<i>145.7</i>	<i>0.3</i>	<i>558.1</i>
<i>accumulated amortisation and impairment losses</i>	<i>-</i>	<i>-0.4</i>	<i>-20.2</i>	<i>-29.6</i>	<i>-79.2</i>	<i>-0.3</i>	<i>-129.7</i>
Gross amount at 1 January 2010	711.5	0.4	336.1	50.9	123.3	0.3	1,222.5
Accumulated amortisation and impairment losses at 1 January 2010	-345.2	-0.4	-7.7	-14.8	-77.9	-0.3	-446.3
<b>Carrying amount at 1 January 2010</b>	<b>366.3</b>	<b>-</b>	<b>328.4</b>	<b>36.1</b>	<b>45.4</b>	<b>-</b>	<b>776.2</b>
Additions:							
Internal development	-	-	-	-	1.0	-	1.0
Items separately acquired	-	-	-	-	32.3	-	32.3
Disposals	-	-	-	-	-0.1	-	-0.1
Amortisation	-13.7	-	-8.7	-6.3	-16.6	-	-45.3
Transfer from (to) another caption	-	-	2.3	2.5	5.7	-	10.5
Items acquired through business combinations	-	-	1.1	0.4	-	-	1.5
Translation differences	-	-	9.5	3.8	2.8	-	16.1
<b>Carrying amount at 31 December 2010</b>	<b>352.6</b>	<b>-</b>	<b>332.6</b>	<b>36.5</b>	<b>70.5</b>	<b>-</b>	<b>792.2</b>
<i>of which: gross amount</i>	<i>711.5</i>	<i>0.4</i>	<i>349.2</i>	<i>59.2</i>	<i>165.4</i>	<i>0.3</i>	<i>1,286.0</i>
<i>accumulated amortisation and impairment losses</i>	<i>-358.9</i>	<i>-0.4</i>	<i>-16.6</i>	<i>-22.7</i>	<i>-94.9</i>	<i>-0.3</i>	<i>-493.8</i>

Prior to the de-consolidation of the Car Rental segment, all the assets and liabilities were re-measured to the lower of carrying amount and fair value less costs to sell at the date of disposal.

### NOTE 13: OTHER INTANGIBLE ASSETS (CONTINUED)

The Board of Directors of the Parent has considered that the consideration offered for the acquisition of the Avis shares (see note 41) is an indication that the impairment recognised in 2008 on the Avis licence rights has decreased. As a result and in accordance with the requirements of IAS 36, a reversal of impairment charge has been recognised to bring the carrying amount of the Car Rental segment to its fair value less costs to sell at the date of disposal. The resulting reversal of impairment charge (gross amount of EUR 96.2 million) was fully allocated to the value of the Avis licence rights. This reversal of impairment has also led to an increase of EUR 28.8 million in the deferred tax liability arising on the recognition of the Avis licence rights.

The nature of the brands with indefinite useful lives is provided in the summary of significant accounting policies in note 2. The increase in customer contracts reflects the businesses acquired in the period (see note 12) by the Vehicle Glass segment. The brands with finite useful lives are amortised on their remaining useful life on a straight-line basis since there is a limit to the period over which these assets are expected to generate cash inflows. The 2011 amortisation amounted to EUR 3.3 million (2010: EUR 8.7 million). The carrying value of the brands with a finite useful life at 31 December 2011 amounted to EUR 3.0 million (2010: EUR 2.3 million), whilst the carrying amount of brands with indefinite useful life amounted to EUR 326.6 million (2010: EUR 330.3 million).

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

EUR million	2011	2010
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	92.1	95.8
Spain	9.1	9.1
Portugal	2.9	2.9
Italy	0.3	0.3
<b>Carrying amount of brands</b>	<b>326.6</b>	<b>330.3</b>

The other disclosures required by IAS 36 for intangible assets with indefinite useful lives are provided in note 11. Based on current valuations (see note 11), headroom appears to be sufficient to absorb a normal variation in the underlying assumptions. For information, an increase in discount rate of one percentage point and a decrease in long-term growth rate of one percentage point would not result in an impairment charge on goodwill and on other intangible assets with indefinite useful lives.

### NOTE 14: VEHICLES

EUR million	2011	2010
Gross amount at 1 January	865.4	910.5
Accumulated depreciation at 1 January	-207.1	-238.6
<b>Carrying amount at 1 January</b>	<b>658.3</b>	<b>671.9</b>
Additions	649.8	571.5
Disposals	-101.6	-
Depreciation charge	-110.5	-166.8
Transfer to inventories	-227.9	-456.1
Transfer from (to) current assets	6.2	31.8
Transfer to non-current assets held for sale (see note 23)	-324.3	-
Scope exit	-549.5	-
Translation differences	-0.5	6.0
<b>Carrying amount at 31 December</b>	<b>-</b>	<b>658.3</b>
<i>of which: gross amount</i>	-	865.4
<i>accumulated depreciation</i>	-	-207.1

**NOTE 14: VEHICLES (CONTINUED)**

In 2010, vehicles held under finance leases included in the above (in the Car Rental segment only) amounted to EUR 40 million.

The Automobile Distribution's fleet is rented out in Belgium by s.a. D'Ieteren Lease n.v. ("D'Ieteren Lease"), a wholly-owned subsidiary of the Group. All rentals are operating leases. On average, the rentals are 44 months long (2010: 44 months). The average size of the fleet in 2011 is 20,827 vehicles (2010: 20,712 vehicles).

At year-end, the Group is committed to a sale plan of D'Ieteren Lease which will involve loss of control of its subsidiary, with the contribution planned in early 2012 to a newly joint venture (Volkswagen D'Ieteren Finance) created by the Group and Volkswagen Financial Services (a subsidiary of the Volkswagen group). The fleet assets have therefore been classified as held for sale in accordance with IFRS 5. See notes 2.1 and 23 for more information.

In 2011 and 2010, the financing of the D'Ieteren Lease fleet was provided by a securitisation programme. This programme initially launched in 2006 had been renewed in June 2009 up to EUR 310 million for another three year period, and had been extended in 2010 until December 2011 at improved conditions. This securitisation operation consists of the issue of bonds to professional investors. That securitisation programme has no impact on the net debt of the Group (this programme being a substitute to other external sources of financing). The carrying amount of the bonds changes as new lease contracts are concluded and as old ones expire. The reimbursement of the bonds and the payment of interest are covered by customers' lease payments and the resale of the vehicles. The programme enables the carrying amount of the bonds to follow the evolution of the carrying amount of the fleet until the third anniversary of the renewal (or eighteen months after the renewal, absent extension of the financing of the programme). It then starts to amortise, in line with the maturation of the underlying lease contracts.

The securitisation programme does not result in the derecognition of any item from the statement of financial position. Other disclosures regarding the securitisation programme are provided in notes 19, 25, 31 and 39.

This programme will be fully reimbursed in early 2012 at the occasion of the contribution of D'Ieteren Lease to Volkswagen D'Ieteren Finance, the financing of the fleet being provided by Volkswagen Financial Services.

The line "Scope exit" is related to the de-consolidation of the Car Rental's fleet (see note 2.1). Before the disposal of Avis Europe shares, the Car Rental's fleet was rented out by Avis Europe plc and its subsidiaries in Europe. All rentals were operating leases. In accordance with IFRS 5, the Group decided not to depreciate the Car Rental's fleet as from the date of its classification as held for sale (30 June 2011). The impact in the consolidated income statement is EUR 32.0 million.

## NOTE 15: OTHER PROPERTY, PLANT AND EQUIPMENT

EUR million	Property	Plant and equipment	Assets under construction	Total
Gross amount at 1 January 2011	434.2	592.6	8.8	1,035.6
Accumulated depreciation and impairment losses at 1 January 2011	-193.1	-367.1	-	-560.2
<b>Carrying amount at 1 January 2011</b>	<b>241.1</b>	<b>225.5</b>	<b>8.8</b>	<b>475.4</b>
Additions	22.8	86.1	5.6	114.5
Disposals	-0.3	-9.5	-	-9.8
Depreciation	-21.7	-66.4	-0.3	-88.4
Transfer from (to) another caption	4.8	0.3	-5.1	-
Items acquired through business combinations	0.7	1.1	-	1.8
Scope exit	-47.9	-10.2	-0.4	-58.5
Translation differences	0.2	1.1	-	1.3
<b>Carrying amount at 31 December 2011</b>	<b>199.7</b>	<b>228.0</b>	<b>8.6</b>	<b>436.3</b>
<i>of which: gross amount</i>	<i>377.9</i>	<i>595.3</i>	<i>8.6</i>	<i>981.8</i>
<i>accumulated depreciation and impairment losses</i>	<i>-178.2</i>	<i>-367.3</i>	<i>-</i>	<i>-545.5</i>
Gross amount at 1 January 2010	399.9	498.0	3.2	901.1
Accumulated depreciation at 1 January 2010	-172.4	-309.6	-	-482.0
<b>Carrying amount at 1 January 2010</b>	<b>227.5</b>	<b>188.4</b>	<b>3.2</b>	<b>419.1</b>
Additions	32.0	103.1	7.9	143.0
Disposals	-0.7	-2.7	-	-3.4
Depreciation	-23.5	-69.4	-	-92.9
Transfer from (to) another caption	0.4	-6.2	-2.3	-8.1
Items acquired through business combinations	-	1.3	-	1.3
Translation differences	5.4	11.0	-	16.4
<b>Carrying amount at 31 December 2010</b>	<b>241.1</b>	<b>225.5</b>	<b>8.8</b>	<b>475.4</b>
<i>of which: gross amount</i>	<i>434.2</i>	<i>592.6</i>	<i>8.8</i>	<i>1,035.6</i>
<i>accumulated depreciation and impairment losses</i>	<i>-193.1</i>	<i>-367.1</i>	<i>-</i>	<i>-560.2</i>

At 31 December 2011, assets under construction include property under construction in the Automobile Distribution segment (EUR 8.6 million). The line "Scope exit" relates to the de-consolidation of the Car Rental segment (see note 2.1).

Assets held under finance leases are included in the above at the following amounts:

EUR million	Property	Plant and equipment	Assets under construction	Total
<b>31 December 2011</b>	<b>-</b>	<b>46.2</b>	<b>-</b>	<b>46.2</b>
<b>31 December 2010</b>	<b>-</b>	<b>54.2</b>	<b>-</b>	<b>54.2</b>

## NOTE 16: INVESTMENT PROPERTY

EUR million	2011	2010
Gross amount at 1 January	12.5	12.5
Accumulated depreciation at 1 January	-6.7	-6.2
<b>Carrying amount at 1 January</b>	<b>5.8</b>	<b>6.3</b>
Additions	0.3	-
Depreciation	-0.5	-0.5
<b>Carrying amount at 31 December</b>	<b>5.6</b>	<b>5.8</b>
<i>of which: gross amount</i>	<i>12.8</i>	<i>12.5</i>
<i>accumulated depreciation</i>	<i>-7.2</i>	<i>-6.7</i>
Fair value	9.1	9.2

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 2010.

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

See also notes 5 and 39 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	2011		2010	
	Carrying amount	Fair value	Carrying amount	Fair value
Sundry	0.5	0.5	1.2	1.2
<b>Total available-for-sale financial assets</b>	<b>0.5</b>	<b>0.5</b>	<b>1.2</b>	<b>1.2</b>

In 2011, available-for-sale financial assets comprise non-controlling interests in non-listed companies (measured at cost less accumulated impairment losses if any, being an approximation of their fair value) held by the Automobile Distribution segment. The decrease during the period is due to the de-consolidation of available-for-sale financial assets held by the Car Rental segment and to the sale of the non-controlling interest previously held by the Vehicle Glass segment in a listed company. 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	2011	2010
Non-current assets	15.7	4.8
Current assets	1.1	0.1
Non-current liabilities	-	-17.3
Current liabilities	-	-12.9
<b>Net derivative hedging instruments</b>	<b>16.8</b>	<b>-25.3</b>

Derivative hedging instruments are analysed as follows:

EUR million	2011	2010
Cross currency interest rate swaps (debt derivatives)	15.7	-9.0
Interest rate swaps (debt derivatives)	-	-12.4
Forward foreign exchange contracts (non-debt derivatives)	1.1	-3.2
Non-deliverable forward exchange contracts	-	-0.7
<b>Net derivative hedging instruments</b>	<b>16.8</b>	<b>-25.3</b>

In 2011, all derivative hedging instruments are recognised in the Vehicle Glass segment (in 2010, in the Car Rental and Vehicle Glass segments).

In the Vehicle Glass segment:

- Forward foreign exchange contracts were used to hedge the cost of future purchases of raw materials where those purchases 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, US Dollars and Canadian 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 income statement during the same year. The total notional amount of these contracts is EUR 26.3 million equivalent (2010: EUR 45.7 million) and the total fair value recognised within other comprehensive income is an asset of EUR 1.1 million (2010: a liability of EUR 2.0 million).
- Forward foreign exchange contracts were also used to hedge future interest costs, where the underlying loan was denominated in a currency other than the functional currency of the paying entity. Certain of those contracts qualified for hedge accounting whereas others did not. Those that qualified for hedge accounting were 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 income statement during the same year. The total notional amount of these contracts is nil (2010: EUR 0.8 million) and the net position recognised within other comprehensive income amounts to nil in 2011 and 2010.
- Cross currency interest rate swaps were used to hedge future US Dollar denominated cash flows of US Private Placement debt where that debt is not used to hedge either net investments or short term intercompany loans. These contracts qualify for hedge accounting. The total notional amount of outstanding cross currency interest swaps contracts (to receive US Dollars for EUR) is EUR 73.6 million (2010: nil) and the fair value is an asset of EUR 15.7 million (2010: nil). The gain on cross currency interest swaps during the period was EUR 14.7 million and represented the fair value less accrued interest recognised in the consolidated income statement.
- Non-deliverable forward exchange contracts were used to hedge a proportion of the net assets of the Brazilian business. These contracts qualifying for hedge accounting were used to hedge exchange movements on EUR denominated loans held in Brazil. The total notional amount of these contracts is nil (2010: EUR 10.1 million) and the fair value is nil (2010: liability of EUR 0.7 million).
- As part of its net investment hedge policy, the Vehicle Glass segment also used currency denominated borrowings to hedge the exposure of a proportion of its non-EUR denominated net assets against changes in value due to changes in foreign exchange rates. The fair value of these borrowings is EUR 349.5 million (2010: EUR 347.2 million).

**NOTE 18: DERIVATIVE HEDGING INSTRUMENTS (CONTINUED)**

In the prior year, in the Car Rental segment, cross currency interest rate swaps of aggregate notional principal amounts of USD 240 million were used to hedge the Avis Europe's USD denominated loan notes. Fair value hedge adjustments of EUR -1.8 million arised from the hedging of the principal value of the exposures to euro denominated liabilities. Cash flow hedges of EUR 0.1 million arised from the conversion of the regular semi-annual USD denominated interest payments to euro denominated interest payments. Interest rate swaps of aggregate notional principal amounts of EUR 200.0 million with average fixed interest payable of 4.03% were also used to hedge variable quarterly interest payments arising under the Senior Floating Rate Notes due 2013 issued by Avis Europe in 2006. The aim of the hedge relationship was to transform the variable interest borrowing into a fixed interest borrowing and resulted in cash flow hedges of EUR 11.4 million. Credit risks do not form part of the hedge. There was no material ineffectiveness of these hedges recorded as at the prior year balance sheet date. Forward foreign exchange contracts were used to hedge expected foreign currency income and expected foreign currency payments. Movements in the fair value of these forward foreign exchange contracts were recognised as cash flow hedges in the hedging reserve within equity. There was no material ineffectiveness of these hedges recorded as at the prior year balance sheet date.

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

EUR million	2011	2010
Cross currency interest rate swaps (debt derivatives)	73.6	183.0
Interest rate swaps (debt derivatives)	-	200.0
Forward foreign exchange contracts (non-debt derivatives)	26.3	80.6

## 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	2011	2010
<b>Non-current assets</b>		
Debt derivatives		
Embedded derivatives	-	2.2
<b>Subtotal</b>	-	2.2
<b>Current assets</b>		
Debt derivatives		
Interest rate swaps excluding securitisation swaps	10.3	10.8
Interest rate securitisation swaps <sup>(1)</sup>	1.7	4.2
Interest rate caps	-	0.2
Non-debt derivatives		
Forward foreign exchange contracts	-	2.3
Fuel hedge instruments	0.3	2.2
<b>Subtotal</b>	12.3	19.7
<b>Non-current liabilities</b>		
Debt derivatives		
Interest rate swaps excluding securitisation swaps	-1.1	-0.1
<b>Subtotal</b>	-1.1	-0.1
<b>Current liabilities</b>		
Debt derivatives		
Interest rate swaps excluding securitisation swaps	-7.6	-18.4
Interest rate securitisation swaps <sup>(1)</sup>	-	-4.4
Interest rate caps	-	-0.6
Forward foreign exchange contracts	-	-0.7
Non-debt derivatives		
Forward foreign exchange contracts	-	-0.5
<b>Subtotal</b>	-7.6	-24.6
<b>NET DERIVATIVES HELD FOR TRADING</b>	3.6	-2.8

<sup>1</sup> Other disclosures regarding the securitisation programme are provided in notes 14, 25, 31 and 39.

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 futures forward curve for gasoline given the volume hedged and the contract period.

In the prior year, the EUR 250.0 million Senior Floating Rate Notes due 2013 issued by Avis Europe in 2006 included a call option permitting Avis Europe to repay the notes with effect from 31 July 2008. Under the option, the notes may be redeemed at par with effect from 31 July 2010. In accordance with IAS 39, this option was separately recognised from the underlying notes as an embedded derivative. This embedded derivative was classified as non-current asset consistent with the maturity of the borrowing in which it is embedded.

The fair values of forward rate agreements are calculated as the present value of future estimated cash flows. The fair values of interest rate swaps and interest rate caps are valued using option valuation techniques. See note 18 for details on the other valuation techniques used.

**NOTE 19: DERIVATIVES HELD FOR TRADING (CONTINUED)**

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

EUR million	2011	2010
Interest rate swaps excluding securitisation swaps	1,151.0	1,118.8
Interest rate securitisation swaps <sup>(1)</sup>	402.0	402.0
Interest rate caps and collars	10.0	40.0
Interest rate floors and collars	10.0	15.0
Forward foreign exchange contracts and options	2.6	18.9
"Fuel hedge instruments"	16.7	12.1

<sup>1</sup> Other disclosures regarding the securitisation programme are provided in notes 14, 25, 31 and 39.

**NOTE 20: LONG-TERM EMPLOYEE BENEFIT ASSETS AND OBLIGATIONS**

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 operates defined benefit schemes for qualifying employees in the following countries:

<b>Automobile Distribution:</b>
Funded and unfunded schemes:
Belgium
<b>Car Rental (in 2010 only):</b>
Funded schemes:
Austria
France
Spain
United Kingdom
Unfunded schemes:
Germany
Italy
<b>Vehicle Glass:</b>
Funded schemes:
Canada
France
Ireland
Holland
United Kingdom
United States

The valuations used have been based on the most recent actuarial valuations, updated by the scheme actuaries to assess the liabilities of the scheme and the market value of the scheme assets at each of the balance sheet dates.

## NOTE 20: LONG-TERM EMPLOYEE BENEFIT ASSETS AND OBLIGATIONS (CONTINUED)

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

	Funded schemes				Unfunded schemes			
	2011		2010		2011		2010	
	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
Inflation rate	1.9%	3.1%	1.9%	3.6%	2.0%	2.0%	2.0%	2.0%
Discount rate	2.6%	4.7%	3.6%	5.4%	0.6%	4.1%	1.5%	5.4%
Expected return on scheme assets:								
Equities	5.8%	8.0%	7.0%	8.4%	-	-	-	-
Bonds	2.8%	5.0%	3.0%	5.3%	-	-	-	-
Other	4.1%	7.0%	0.4%	7.3%	-	-	-	-
Rate of salary increases	1.0%	5.0%	1.0%	5.4%	2.6%	2.6%	-0.3%	2.5%
Rate of pension increases	1.0%	3.1%	1.0%	3.6%	2.3%	2.3%	1.3%	2.0%

The expected rates of return on scheme assets are based on market expectations at the beginning of each year, for returns over the entire life of the related obligation. The expected return on bonds is based on long-term bond yields. The expected return on equities is based on a wide range of qualitative and quantitative market analysis including consideration of market equity risk premiums.

The actual return on scheme assets is analysed as follows:

EUR million	2011	2010 <sup>(1)</sup>
Expected return on scheme assets	20.9	18.3
Actual return less expected return on scheme assets	-21.5	29.5
<b>Actual return on scheme assets</b>	<b>-0.6</b>	<b>47.8</b>

(1) As restated (see note 2.1).

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

EUR million	2011	2010
Long-term employee benefit assets	30.5	39.2
Long-term employee benefit obligations	-59.1	-110.1
<b>Recognised net deficit (-) / surplus (+) in the schemes</b>	<b>-28.6</b>	<b>-70.9</b>
<i>of which: amount expected to be settled within 12 months</i>	<i>-0.8</i>	<i>-0.9</i>
<i>amount expected to be settled in more than 12 months</i>	<i>-27.8</i>	<i>-70.0</i>

**NOTE 20: LONG-TERM EMPLOYEE BENEFIT ASSETS AND OBLIGATIONS (CONTINUED)**

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

EUR million	2011			2010		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Present value of defined benefit obligations	-388.8	-3.4	-392.2	-534.0	-43.7	-577.7
Fair value of scheme assets	363.6	-	363.6	506.8	-	506.8
<b>Net deficit (-) / surplus (+) in the schemes</b>	<b>-25.2</b>	<b>-3.4</b>	<b>-28.6</b>	<b>-27.2</b>	<b>-43.7</b>	<b>-70.9</b>

The amounts recognised in the statement of financial position for the years 2009 and 2008 were analysed as follows:

EUR million	2009			2008		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Present value of defined benefit obligations	-466.2	-39.1	-505.3	-347.3	-38.1	-385.4
Fair value of scheme assets	392.3	-	392.3	279.0	-	279.0
<b>Net deficit (-) / surplus (+) in the schemes</b>	<b>-73.9</b>	<b>-39.1</b>	<b>-113.0</b>	<b>-68.3</b>	<b>-38.1</b>	<b>-106.4</b>

The fair value of scheme assets includes the following items:

EUR million	2011			2010		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Equity instruments	215.4	-	215.4	306.3	-	306.3
Debt instruments	112.5	-	112.5	143.5	-	143.5
Other assets	35.7	-	35.7	57.0	-	57.0
<b>Fair value of scheme assets</b>	<b>363.6</b>	<b>-</b>	<b>363.6</b>	<b>506.8</b>	<b>-</b>	<b>506.8</b>

The fair value of scheme assets did not comprise any property or other assets used by the Group, nor any financial instruments of the Group.

The movements in the recognised net deficit are as follows:

EUR million	2011			2010		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Net deficit (-) / surplus (+) at 1 January	-27.2	-43.7	-70.9	-73.9	-39.1	-113.0
Contributions paid by the Group	18.5	-	18.5	38.1	-	38.1
Benefits paid by the Group	-	0.8	0.8	-	2.2	2.2
Expense recognised in the income statement - continuing	6.7	-0.4	6.3	-6.3	-0.5	-6.8
Expense recognised in the income statement - discontinued	-1.8	-	-1.8	-4.9	-2.5	-7.4
Actuarial gains (+) / losses (-)	-57.0	-	-57.0	26.4	-3.8	22.6
Scope exit	35.7	39.9	75.6	-	-	-
Other benefits paid	-	-	-	0.2	-	0.2
Transfer from another caption	-	-	-	-2.3	-	-2.3
Translation differences	-0.1	-	-0.1	-4.5	-	-4.5
<b>Net deficit (-) / surplus (+) at 31 December</b>	<b>-25.2</b>	<b>-3.4</b>	<b>-28.6</b>	<b>-27.2</b>	<b>-43.7</b>	<b>-70.9</b>

## NOTE 20: LONG-TERM EMPLOYEE BENEFIT ASSETS AND OBLIGATIONS (CONTINUED)

The amounts recognised in the income statement are as follows:

EUR million	2011			2010		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Current service cost	-8.7	-0.3	-9.0	-10.7	-0.9	-11.6
Past service cost	11.7	-	11.7	-0.1	-	-0.1
Interest cost	-17.6	-0.1	-17.7	-27.7	-2.1	-29.8
Effect of curtailment or settlement	0.4	-	0.4	0.2	-	0.2
Expected return on scheme assets	20.9	-	20.9	27.1	-	27.1
<b>Expense recognised in the income statement</b>	<b>6.7</b>	<b>-0.4</b>	<b>6.3</b>	<b>-11.2</b>	<b>-3.0</b>	<b>-14.2</b>
<i>of which: commercial and administrative expenses (current items)</i>	<i>-5.0</i>	<i>-0.4</i>	<i>-5.4</i>	<i>-11.2</i>	<i>-3.0</i>	<i>-14.2</i>
<i>commercial and administrative expenses (unusual items - see note 9)</i>	<i>11.7</i>	<i>-</i>	<i>11.7</i>	<i>-</i>	<i>-</i>	<i>-</i>

In 2011, the past service cost of EUR 11.7 million is due to the change by the UK Government of the index used for increasing deferred state pensions (see note 9).

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

EUR million	2011			2010		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Actual return less expected return on scheme assets	-21.5	-	-21.5	29.5	-	29.5
Experience gain (+) / loss (-) on liabilities	11.5	-	11.5	1.4	-	1.4
Gain (+) / Loss (-) on change of assumptions <sup>(1)</sup>	-41.2	-	-41.2	-15.7	-	-15.7
Discontinued operations	-5.8	-	-5.8	11.2	-3.8	7.4
<b>Actuarial gains (+) / losses (-)</b>	<b>-57.0</b>	<b>-</b>	<b>-57.0</b>	<b>26.4</b>	<b>-3.8</b>	<b>22.6</b>

<sup>1</sup> Financial and/or demographic assumptions.

The best estimate of the contributions expected to be paid to the schemes during the 2012 annual period is EUR 16.3 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.

**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 amortisa- tion write- downs	Provi- sions	Dividends	Tax losses available for offset	Financial instru- ments	Other	Total
<b>Deferred tax liabilities (negative amounts)</b>								
At 1 January 2010	-127.5	-25.2	10.0	-1.0	5.2	-1.6	-7.4	-147.5
Credited (charged) to income statement	4.3	4.7	-8.8	-0.2	5.9	-0.1	-7.0	-1.2
Credited (charged) to equity	-	-	-5.2	-	-	0.2	-	-5.0
Exchange differences	-	-2.4	-0.2	-	-	-	-0.3	-2.9
At 31 December 2010	-123.2	-22.9	-4.2	-1.2	11.1	-1.5	-14.7	-156.6
Credited (charged) to income statement	-27.0	3.1	-13.0	-0.3	-6.1	-3.0	8.3	-38.0
Credited (charged) to equity	-	-	7.1	-	-	-3.7	-	3.4
Scope exit	138.5	5.2	4.3	-	-5.7	-0.3	8.4	150.4
Exchange differences	0.1	-3.2	0.2	-	-2.0	-	0.1	-4.8
At 31 December 2011	-11.6	-17.8	-5.6	-1.5	-2.7	-8.5	2.1	-45.6
<b>Deferred tax assets (positive amounts)</b>								
At 1 January 2010	-	-16.2	62.6	-	40.4	5.9	5.4	98.1
Credited (charged) to income statement	-	-11.9	-17.2	-	13.6	-0.9	3.3	-13.1
Credited (charged) to equity	-	-	-	-	-	-1.0	-2.2	-3.2
Transfer to current tax	-	0.1	-	-	-	-	1.7	1.8
Exchange differences	-	-0.5	4.4	-	3.5	-0.1	1.4	8.7
At 31 December 2010	-	-28.5	49.8	-	57.5	3.9	9.6	92.3
Credited (charged) to income statement	-	8.1	-3.4	-	6.2	-0.1	-	10.8
Credited (charged) to equity	-	-	4.6	-	-	-0.4	2.9	7.1
Scope exit	-	-30.2	-9.1	-	-1.5	-3.4	-6.8	-51.0
Transfer to non-current assets held for sale	-	-1.0	-	-	-	-	-	-1.0
Exchange differences	-	-0.2	-4.1	-	0.4	-	-	-3.9
At 31 December 2011	-	-51.8	37.8	-	62.6	-	5.7	54.3
<b>Net deferred tax assets (liabilities) after offsetting recognised in the consolidated statement of financial position:</b>								
31 December 2010	-123.2	-51.4	45.6	-1.2	68.6	2.4	-5.1	-64.3
31 December 2011	-11.6	-69.6	32.2	-1.5	59.9	-8.5	7.8	8.7



## NOTE 21: DEFERRED TAXES (CONTINUED)

In the prior year, the revaluation column mainly included the deferred tax liability (EUR 111.8 million) arising on the recognition of the Avis licence rights. The movement during the year is explained by the deferred tax impact on the amortisation and on the reversal of impairment on the Avis licence rights, as well as the de-consolidation of the net position of this deferred tax liability at the end of September 2011.

The net deferred tax balance includes net deferred tax assets amounting to EUR 11.1 million (2010: EUR 13.7 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 240.2 million (2010: EUR 480.3 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 3.3 million (2010: EUR 2.4 million) that will expire in the period 2015-2027 (2010: 2015-2027) and unused tax credits of EUR 41.1 million (2010: EUR 105.8 million) that will expire in the period 2012-2018 (2010: 2011-2017). Other losses may be carried forward indefinitely.

Deferred tax has not been recognised in respect of other deductible temporary differences amounting to EUR 10.0 million (2010: EUR 22.8 million) due to the unpredictability of future profit streams.

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 831.8 million (2010: EUR 809.6 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 include, among other items:

- EUR 0.2 million (2010: EUR 3.8 million) of which the utilisation is dependent on future taxable profits in excess of the profit arising from the reversal of existing taxable temporary differences;
- EUR 4.6 million (2010: EUR 0.5 million) related to entities that suffered a loss in either the current or preceding period in a tax jurisdiction to which the deferred tax assets relate.

The recognition of these deferred tax assets is supported by profit expectations in the foreseeable future.

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 comprised of guarantee deposits and of non-current receivables from entities accounted for using the equity method. Their carrying amount approximates their fair value, and they 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

### Framework

On 10 October 2011, the Parent and Volkswagen Financial Services (a subsidiary of the Volkswagen group) announced that they reached an agreement to create a joint venture, Volkswagen D'leteren Finance (VDFin), intended to provide a full range of financial services related to the sale of the Volkswagen group vehicles on the Belgian market. VDFin will be operational in early 2012 and will be created by the contribution in early 2012 of D'leteren Lease sa, the Group subsidiary active in operating leases, and of the Volkswagen Bank Belgium operations. VDFin will be 50% owned (minus one share) by the Group and 50% owned (plus one share) by Volkswagen Financial Services. Both parties signed the shareholders' agreement on 23 December 2011.

### Classification as held for sale

The Board of Directors of the Parent considered that the Parent is committed to a sale plan of D'leteren Lease which will involve the loss of control of its subsidiary, and has therefore classified in the consolidated statement of financial position as at 31 December 2011 all the assets and liabilities of its subsidiary as held for sale; the recognition criteria defined in IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations" being satisfied. These assets and liabilities were re-measured to the lower of carrying amount and fair value less costs to sell at the date of the classification as held for sale (31 December 2011).

**NOTE 23: NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE (CONTINUED)****Assets and liabilities (Automobile Distribution segment)**

EUR million	2011
Vehicles	324.3
Deferred tax assets	1.1
Other non-current receivables	0.6
Other financial assets - Securitisation cash reserves	7.7
Current tax assets	0.6
Trade and other receivables	13.3
Cash and cash equivalents	0.1
<b>Non-current assets classified as held for sale</b>	<b>347.7</b>

In the prior year, non-current assets held for sale comprised buildings previously used for Automobile Distribution activities, for which the management was committed to disposal. The disposal occurred in the second half of 2011.

EUR million	Notes	2011
Other non-current provisions		4.0
Current bonds under securitisation programme		181.4
Current intra-segment subordinated loan	31	89.0
Current derivatives held for trading - Interest rate securitisation programme		2.0
Trade and other payables		56.8
<b>Liabilities associated with non-current assets held for sale</b>		<b>333.2</b>
<b>Net assets group's share</b>		<b>14.5</b>

**Net debt**

EUR million	2011
Current bonds under securitisation programme	181.4
Current intra-segment subordinated loan	89.0
Less: Other financial assets - Securitisation cash reserves	-7.7
Less: Cash and cash equivalents	-0.1
<b>Total net debt</b>	<b>262.6</b>

## NOTE 24: INVENTORIES

EUR million	2011	2010
<b>Automobile Distribution</b>		
Vehicles	339.6	283.2
Spare parts and accessories	29.5	26.3
Other	1.5	0.9
<b>Subtotal</b>	<b>370.6</b>	<b>310.4</b>
<b>Car Rental</b>		
Vehicles	-	0.7
Fuel	-	5.9
Spare parts and accessories	-	0.5
<b>Subtotal</b>	<b>-</b>	<b>7.1</b>
<b>Vehicle Glass</b>		
Glass and related product	256.3	233.9
<b>Subtotal</b>	<b>256.3</b>	<b>233.9</b>
<b>GROUP</b>	<b>626.9</b>	<b>551.4</b>
<i>of which: items carried at fair value less costs to sell</i>	<i>88.0</i>	<i>82.0</i>

In the prior year, in the Car Rental segment, vehicles comprised ex-rental vehicles where management was committed to the disposal of the vehicles. The disposal occurred in early 2011.

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 inventories are expected to be recovered within 12 months.

## NOTE 25: OTHER FINANCIAL ASSETS

The other financial assets are analysed as follows:

EUR million	2011	2010
Automobile Distribution - Securitisation cash reserves	-	8.9
Vehicle Glass - Restricted cash related to acquisitions	1.1	17.0
<b>Other financial assets</b>	<b>1.1</b>	<b>25.9</b>

The securitisation cash reserves (see note 23 for amounts classified as held for sale as at 31 December 2011) are pledged by D'leteren Lease and are held on its own bank accounts. Other disclosures regarding the securitisation programme are provided in notes 14, 19, 31 and 39.

The other financial assets are expected to be recovered within 12 months. Their carrying amount is equal to their fair value.

## 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	2011			2010			
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Car Rental	Vehicle Glass	Group
Trade receivables - net	137.2	186.1	323.3	107.5	147.7	192.2	447.4
Vehicle related receivables	-	-	-	-	758.4	-	758.4
Receivables from entities accounted for using the equity method	1.3	-	1.3	0.5	-	-	0.5
Other receivables	7.3	67.5	74.8	12.8	120.0	45.8	178.6
<b>Trade and other receivables</b>	<b>145.8</b>	<b>253.6</b>	<b>399.4</b>	<b>120.8</b>	<b>1,026.1</b>	<b>238.0</b>	<b>1,384.9</b>

The trade and other receivables are expected to be recovered within 12 months. Their carrying amount approximates to 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 put in place 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% (2010: 20%) and no customer is above 7% (2010: 6%). 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 the Belron's customer base.

In the prior year, in the Car Rental segment, vehicle related receivables included receivables related to vehicles purchased under buy-back agreements, prepaid vehicle operating lease charges, amount due from leasing companies and other vehicle receivables.

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 2011, the provisions for bad and doubtful debt amounted to EUR 22.8 million (2010: EUR 53.4 million).

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

EUR million	2011	2010
Up to three months past due	95.1	153.8
Three to six months past due	10.2	11.7
Over six months past due	6.5	9.8
<b>Total</b>	<b>111.8</b>	<b>175.3</b>

The decrease of the provisions for bad and doubtful debts is explained by the de-consolidation of the Car Rental segment's receivables and by the decrease of EUR 3.0 million as disclosed in note 5.

## NOTE 28: CASH AND CASH EQUIVALENTS

Cash and cash equivalents are analysed below:

EUR million	2011			2010			
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Car Rental	Vehicle Glass	Group
Cash at bank and in hand	74.5	36.5	111.0	2.1	92.3	33.4	127.8
Short-term deposits	20.0	-	20.0	-	139.4	-	139.4
Money Market Assets	119.0	-	119.0	-	-	-	-
<b>Cash and cash equivalents</b>	<b>213.5</b>	<b>36.5</b>	<b>250.0</b>	<b>2.1</b>	<b>231.7</b>	<b>33.4</b>	<b>267.2</b>

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 2011, in the Automobile Distribution segment, cash and cash equivalents have been building up, notably with the proceeds of the sale in October 2011 of the Avis Europe shares previously held by the Group.

In the Vehicle Glass segment, due to legal restrictions, cash balances held in Brazil, amounting to EUR 3.7 million (2010: EUR 5.2 million), are not available for general use by the Parent or other subsidiaries.

Short-term deposits mature within 1 month (5 months in the prior period in the Car Rental segment).

## NOTE 29: EQUITY

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 2010	5,530,262	160.0
Ten for one share split	-	-
At 31 December 2010	55,302,620	160.0
Change	-	-
At 31 December 2011	55,302,620	160.0

On 20 December 2010, the Extraordinary General Meeting of Shareholders approved the proposal of the Board of Directors to divide by ten the ordinary shares and the participating shares, by way of exchange. After this split (which was effective 27 December 2010), the number of ordinary shares and participating shares issued by the Parent amounts respectively to 55,302,620 and 5,000,000.

All ordinary shares issued are fully paid. Ordinary shares have no face value. The same Extraordinary General Meeting of Shareholders approved the dematerialization of bearer shares. The bearer ordinary shares are therefore to be converted into either registered or dematerialized shares prior to the exercise of any rights attached to them. Each ordinary share confers one voting right.

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.

## NOTE 29: EQUITY (CONTINUED)

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

EUR million, except number of shares stated in units	31 December 2011		31 December 2010	
	Number	Amount	Number	Amount
Treasury shares held by the Parent	744,423	15.8	779,860	15.8
Treasury shares held by subsidiaries	-	-	-	-
<b>Treasury shares held</b>	<b>744,423</b>	<b>15.8</b>	<b>779,860</b>	<b>15.8</b>

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

On 28 May 2009, 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.

Disclosure of company shareholders (according to the declarations of major shareholdings dated 02/11/2011)	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%
<b>The four abovementioned persons (collectively "SPDG Group") are associated and act in concert with Cobepa s.a.</b>	<b>13,887,280</b>	<b>25.11%</b>	<b>1,250,000</b>	<b>25.00%</b>	<b>15,137,280</b>	<b>25.10%</b>
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%
<b>The three abovementioned persons (collectively "Nayarit Group") are associated and act in concert with Cobepa s.a.</b>	<b>17,694,020</b>	<b>31.99%</b>	<b>3,750,000</b>	<b>75.00%</b>	<b>21,444,020</b>	<b>35.56%</b>
<b>The persons referred to as SPDG Group and Nayarit Group act in concert.</b>						
Cobepa s.a., Brussels	2,126,210	3.84%	-	-	2,126,210	3.53%
<b>Cobepa s.a. acts in concert on the one hand with Nayarit Group and on the other hand with SPDG Group.</b>						

The Board of Directors proposed the distribution of a gross dividend amounting to EUR 0.80 per share (2010: EUR 0.425 per share), or EUR 44.1 million in aggregate (2010: EUR 23.5 million).

### NOTE 30: PROVISIONS

Provisions 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	2011			2010			
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Car Rental	Vehicle Glass	Group
<b>Non-current provisions</b>							
Dealer-related	19.2	-	19.2	15.5	-	-	15.5
Warranty	5.0	-	5.0	5.0	-	-	5.0
Insurance and covers	-	-	-	2.7	18.4	-	21.1
Other non-current items	7.6	36.8	44.4	8.5	9.0	37.0	54.5
<b>Subtotal</b>	<b>31.8</b>	<b>36.8</b>	<b>68.6</b>	<b>31.7</b>	<b>27.4</b>	<b>37.0</b>	<b>96.1</b>
<b>Current provisions</b>							
Insurance and covers	-	-	-	-	13.9	-	13.9
Other current items	-	8.9	8.9	-	7.0	4.4	11.4
<b>Subtotal</b>	<b>-</b>	<b>8.9</b>	<b>8.9</b>	<b>-</b>	<b>20.9</b>	<b>4.4</b>	<b>25.3</b>
<b>Total provisions</b>	<b>31.8</b>	<b>45.7</b>	<b>77.5</b>	<b>31.7</b>	<b>48.3</b>	<b>41.4</b>	<b>121.4</b>

The changes in provisions are set out below for the year ended 31 December 2011:

EUR million	Dealer-related	Warranty	Insurance and covers	Other non-current items	Other current items	Total
<b>At 1 January 2011</b>	<b>15.5</b>	<b>5.0</b>	<b>35.0</b>	<b>54.5</b>	<b>11.4</b>	<b>121.4</b>
Charged in the year	6.8	0.9	9.6	2.6	14.1	34.0
Utilised in the year	-3.0	-0.2	-2.7	-2.2	-9.6	-17.7
Reversed in the year	-0.1	-0.7	-	-0.2	-	-1.0
Transferred during the year	-	-	-8.2	-0.5	5.7	-3.0
Transferred to liabilities associated with non-current assets held for sale (see note 23)	-	-	-2.9	-1.1	-	-4.0
Scope exit	-	-	-30.8	-8.7	-12.7	-52.2
<b>At 31 December 2011</b>	<b>19.2</b>	<b>5.0</b>	<b>-</b>	<b>44.4</b>	<b>8.9</b>	<b>77.5</b>

The timing of the outflows being largely uncertain, most of the provisions are considered as non-current items. 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. Provisions are also set up for incurred material damage (registered or not) at D'Ieteren Lease. At year-end, these are classified within liabilities associated with non-current assets held for sale (see note 23).

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 2011;
- Provisions for long-term management incentive schemes in the Vehicle Glass segment. The scheme set up in 2005 was settled in the first half of 2010. The settlement of the new scheme commenced in 2010 is expected to occur between 2013 and 2015.

## NOTE 31: BORROWINGS

Borrowings are analysed as follows:

EUR million	Notes	2011			2010			
		Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Car Rental	Vehicle Glass	Group
<b>Non-current borrowings</b>								
Bonds		249.7	-	249.7	349.6	-	-	349.6
Bonds under securitisation programme		-	-	-	186.4	-	-	186.4
Obligations under finance leases		-	25.9	25.9	-	0.1	30.3	30.4
Bank and other loans		1.6	46.6	48.2	1.5	-	439.3	440.8
Loan notes		-	464.4	464.4	-	435.6	271.0	706.6
Deferred consideration		-	-	-	-	24.8	-	24.8
<b>Subtotal non-current borrowings</b>		<b>251.3</b>	<b>536.9</b>	<b>788.2</b>	<b>537.5</b>	<b>460.5</b>	<b>740.6</b>	<b>1,738.6</b>
<b>Current borrowings</b>								
Bonds		100.0	-	100.0	-	-	-	-
Obligations under finance leases		-	20.3	20.3	-	184.3	21.2	205.5
Bank and other loans		1.0	20.8	21.8	3.6	20.3	8.4	32.3
Loan notes		-	-	-	-	91.6	-	91.6
Commercial paper		-	-	-	25.5	1.0	-	26.5
Deferred consideration		-	-	-	-	0.3	-	0.3
Intra-segment subordinated loan	23	-89.0	-	-89.0	-	-	-	-
Inter-segment financing		-240.0	240.0	-	-	-	-	-
<b>Subtotal current borrowings</b>		<b>-228.0</b>	<b>281.1</b>	<b>53.1</b>	<b>29.1</b>	<b>297.5</b>	<b>29.6</b>	<b>356.2</b>
<b>TOTAL BORROWINGS</b>		<b>23.3</b>	<b>818.0</b>	<b>841.3</b>	<b>566.6</b>	<b>758.0</b>	<b>770.2</b>	<b>2,094.8</b>

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):

2011					2010				
	Issued	Principal (EUR million)	Maturing	Fixed rate		Principal (EUR million)	Maturing	Fixed rate	
	July 2004	100.0	2012	5.25%		100.0	2012	5.25%	
	July 2005	100.0	2015	4.25%		100.0	2015	4.25%	
	December 2009	150.0	2014	5.50%		150.0	2014	5.50%	
<b>Total</b>		<b>350.0</b>				<b>350.0</b>			

The weighted average cost of bonds in 2011 was 5.1% (2010: 5.1%).

The Group issues bonds under a securitisation programme, through its wholly-owned subsidiary s.a. D'Ieteren Lease n.v. ("D'Ieteren Lease"). The programme is set out in note 14. The weighted average cost of this programme, including the amortisation of the initial set-up and renewal costs over a two successive three-year periods, was 3.4% (2010: 3.5%). Pledged accounts related to this securitisation programme are recorded under the heading "other financial assets" (see notes 23 and 25). Other disclosures regarding the securitisation programme are also provided in notes 19 and 39.

At year-end, in accordance with the requirements of IFRS 5 (see notes 2.1 and 23), bonds under securitisation programme have been classified within liabilities associated with non-current assets held for sale. The programme will be fully repaid in early 2012 at the occasion of the contribution of D'Ieteren Lease to Volkswagen D'Ieteren Finance, the financing of the fleet being guaranteed throughout this new joint venture created by the Group and Volkswagen Financial Services (a subsidiary of the Volkswagen group).



## NOTE 31: BORROWINGS (CONTINUED)

Obligations under finance leases are analysed below:

EUR million	2011		2010	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Within one year	20.8	20.3	211.6	205.5
Between one and five years	27.5	25.3	32.4	29.6
More than five years	0.8	0.7	1.0	0.8
Subtotal	49.1	46.3	245.0	235.9
Less: future finance charges	-2.9		-9.1	
<b>Present value of finance lease obligations</b>	<b>46.2</b>		<b>235.9</b>	

At year-end, obligations under finance leases are only located in the Vehicle Glass segment. Finance leases were also previously used in the Car Rental segment (until its disposal in 2011) which leased certain of its vehicles (including some vehicles held under buy-back agreements) and plant and equipment under finance leases. 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 arrangements (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 1.9% to 20.6% in 2011 (2010: 1.3% to 16.9%).

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

	Interest rate	Currency	2011		2010	
			Principal (in million)	Maturing	Principal (in million)	Maturing
Series A (April 2007)	5.68%	USD	200.0	2014	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	n/a	n/a
Series B (March 2011)	5.13%	USD	100.0	2021	n/a	n/a
Series C (March 2011)	5.25%	USD	100.0	2023	n/a	n/a

In the prior year, in the Car Rental segment, loan notes represented the following balances, due by Avis Finance Company plc ("AFC"), an indirect wholly-owned subsidiary of Avis Europe plc:

Issued	Currency	2011		2010	
		Principal (in million)	Maturing	Principal (in million)	Maturing
June 2002	EUR	-	-	26.8	2012
June 2004	USD	-	-	240.0	2011,2012,2014
June 2004	EUR	-	-	65.0	2012
July 2006	EUR	-	-	250.0	2013

**NOTE 31: BORROWINGS (CONTINUED)**

The Group runs one commercial paper programme in Belgium throughout s.a. D'leteren Treasury n.v., a wholly-owned subsidiary of the Parent (EUR 300.0 million; in 2010: EUR 300.0 million). This programme is guaranteed by the Parent. The weighted average cost over 2011 was nil (2010: 0.6%). Medium term notes can also be drawn from this programme.

In the prior year, in the Car Rental segment, deferred consideration represented amounts still due arising on the acquisition of Avis Europe Investment Holdings Limited (a wholly-owned subsidiary of Avis Europe plc) from Avis Inc. in 1997, and payable in annual instalments of GBP 1.9 million including interest. The deferred consideration was denominated in GBP and bore an interest rate of 8.0% fixed for 27 years.

Inter-segment financing items are amounts lent by the Automobile Distribution segment to the Vehicle Glass segment, at arm's length conditions.

The intra-segment subordinated loan represents an amount lent by s.a. D'leteren Services n.v., a wholly-owned subsidiary of the Parent, to D'leteren Lease at arm's length conditions. This inter-company loan is eliminated upon consolidation but is separately presented in notes 23 and 31 due to the classification of D'leteren Lease's assets and liabilities as held for sale. This subordinated loan will be repaid at the occasion of the contribution of D'leteren Lease to Volkswagen D'leteren Finance.

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

EUR million	2011	2010
Between one and five years	475.6	1,591.5
After more than five years	312.6	147.1
<b>Non-current borrowings</b>	<b>788.2</b>	<b>1,738.6</b>

The exposure of the Group's 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	2011	2010
Less than one year	53.1	982.7
Between one and five years	475.6	968.1
After more than five years	312.6	144.0
<b>Borrowings</b>	<b>841.3</b>	<b>2,094.8</b>

The interest rate and currency profiles of borrowings are as follows (including the value of the adjustment for hedged borrowings disclosed in note 32):

EUR million	2011			2010		
	Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total
Currency						
EUR	355.4	304.6	660.0	446.6	1,043.2	1,489.8
GBP	24.0	5.0	29.0	48.7	0.1	48.8
USD	397.9	14.2	412.1	477.4	77.4	554.8
Other	5.3	2.4	7.7	4.8	1.4	6.2
<b>Total</b>	<b>782.6</b>	<b>326.2</b>	<b>1,108.8</b>	<b>977.5</b>	<b>1,122.1</b>	<b>2,099.6</b>

**NOTE 31: BORROWINGS (CONTINUED)**

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

EUR million	2011			2010		
Currency	Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total
EUR	763.8	-180.4	583.4	1,531.6	52.3	1,583.9
GBP	24.0	5.0	29.0	48.7	101.1	149.8
USD	474.5	14.2	488.7	366.0	1.3	367.3
Other	5.3	2.4	7.7	4.8	-6.2	-1.4
<b>Total</b>	<b>1,267.6</b>	<b>-158.8</b>	<b>1,108.8</b>	<b>1,951.1</b>	<b>148.5</b>	<b>2,099.6</b>

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:

Currency	2011		2010	
	Min.	Max.	Min.	Max.
EUR	1.9%	6.6%	2.0%	6.8%
GBP	3.0%	5.9%	4.0%	5.9%
USD	2.0%	7.0%	2.0%	7.0%
Other	2.9%	20.6%	3.7%	16.9%

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

EUR million	2011		2010	
	Fair value	Carrying amount	Fair value	Carrying amount
Bonds	255.3	249.7	359.4	349.6
Bonds under securitisation programme	-	-	186.4	186.4
Obligations under finance leases	25.9	25.9	30.4	30.4
Bank loans, loan notes and other loans	509.3	512.6	1,139.2	1,147.4
Deferred consideration	-	-	23.0	24.8
<b>Non-current borrowings</b>	<b>790.5</b>	<b>788.2</b>	<b>1,738.4</b>	<b>1,738.6</b>

The fair value of the bonds is determined based on their market prices. The fair value of the bonds under securitisation programme is equal to their carrying amount. 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. Certain of the borrowings in the Group have covenants attached.

## 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	2011			2010			
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Car Rental	Vehicle Glass	Group
Non-current borrowings	251.3	536.9	788.2	537.5	-	740.6	1,278.1
Current borrowings	12.0	41.1	53.1	29.1	-	29.6	58.7
Inter-segment financing	-240.0	240.0	-	-	-	-	-
Adjustment for hedged borrowings	-	-2.9	-2.9	-	-	-	-
<b>Gross debt</b>	<b>23.3</b>	<b>815.1</b>	<b>838.4</b>	<b>566.6</b>	<b>-</b>	<b>770.2</b>	<b>1,336.8</b>
Less: Cash and cash equivalents	-213.5	-36.5	-250.0	-2.1	-	-33.4	-35.5
Less: Current financial assets	-0.3	-	-0.3	-8.9	-	-	-8.9
Less: Other non-current receivables	-0.5	-	-0.5	-0.5	-	-	-0.5
<b>Net debt from continuing activities excluding assets and liabilities classified as held for sale</b>	<b>-191.0</b>	<b>778.6</b>	<b>587.6</b>	<b>555.1</b>	<b>-</b>	<b>736.8</b>	<b>1,291.9</b>
Net debt in assets and liabilities classified as held for sale	262.6	-	262.6	-	-	-	-
Net debt from discontinued operations	-	-	-	-	531.1	-	531.1
<b>Total net debt</b>	<b>71.6</b>	<b>778.6</b>	<b>850.2</b>	<b>555.1</b>	<b>531.1</b>	<b>736.8</b>	<b>1,823.0</b>

### 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, 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.

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 income statement as a re-measurement item in net finance costs.

At 31 December 2011, the exercise price of all options granted to non-controlling shareholders amounts to EUR 154.0 million (put options with related call options, exercisable until 2024). At 31 December 2010, the exercise price of all options granted to non-controlling shareholders amounted to EUR 163.0 million and comprised EUR 149.8 million of put options with related call options, exercisable until 2024 and EUR 13.2 million of expected price adjustment on put options exercised in September 2009 by Cobepa (settled in 2011 - see note 9).

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 40.3 million at 31 December 2011) is presented as additional goodwill (EUR 92.5 million at 31 December 2011).

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 0.6 million and is recognised in the consolidated income statement as a re-measurement charge 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.

### NOTE 34: OTHER NON-CURRENT PAYABLES

Other non-current payables are non interest-bearing deferred consideration on acquisitions, payable after more than 12 months. The carrying value of other non-current payables approximates to their fair value.

### NOTE 35: TRADE AND OTHER CURRENT PAYABLES

Trade and other payables are analysed below:

EUR million	2011			2010			
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Car Rental	Vehicle Glass	Group
Trade payables	99.4	98.3	197.7	86.4	207.8	95.4	389.6
Accrued charges and deferred income	37.1	5.7	42.8	51.9	212.7	2.6	267.2
Non-income taxes	6.4	15.8	22.2	4.0	42.7	12.4	59.1
Deferred consideration on acquisitions	-	6.9	6.9	-	-	5.7	5.7
Other creditors	46.8	241.3	288.1	56.8	65.1	274.1	396.0
<b>Trade and other payables</b>	<b>189.7</b>	<b>368.0</b>	<b>557.7</b>	<b>199.1</b>	<b>528.3</b>	<b>390.2</b>	<b>1,117.6</b>

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

**NOTE 36: EMPLOYEE BENEFIT EXPENSE**

The employee benefit expense is analysed below:

EUR million	2011			2010 <sup>(1)</sup>		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
<i>Retirement benefit charges under defined contribution schemes</i>	-5.2	-13.3	-18.5	-4.9	-12.1	-17.0
<i>Retirement benefit charges under defined benefit schemes (see note 20)</i>	-0.7	7.0	6.3	-0.8	-6.1	-6.9
<b>Total retirement benefit charge</b>	-5.9	-6.3	-12.2	-5.7	-18.2	-23.9
<b>Wages, salaries and social security costs</b>	-135.1	-980.9	-1,116.0	-123.7	-1,004.5	-1,128.2
<b>Share-based payments: equity-settled</b>	-1.0	-	-1.0	-0.6	-	-0.6
<b>Total employee benefit expense</b>	<b>-142.0</b>	<b>-987.2</b>	<b>-1,129.2</b>	<b>-130.0</b>	<b>-1,022.7</b>	<b>-1,152.7</b>
<i>of which: current items</i>	-142.0	-998.9	-1,140.9	-130.0	-1,022.7	-1,152.7
<i>unusual items (defined benefit schemes - see notes 9 and 20)</i>	-	11.7	11.7	-	-	-

<sup>1</sup> As restated (see note 2.1).

The above expense includes the amounts charged in 2011 and in 2010 in respect of the long-term management incentive schemes mentioned in note 30.

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

EUR million	2011	2010 <sup>(1)</sup>
Automobile Distribution	1,685	1,584
Vehicle Glass	25,199	24,790
<b>Group</b>	<b>26,884</b>	<b>26,374</b>

<sup>1</sup> As restated (see note 2.1).

### 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'leteren n.v.

Options outstanding are as follows:

Date of grant	Number of options (in units)		Exercise price (EUR)	Exercise period	
	2011	2010		From	To
2011	217,814	-	35.00	1/01/2015	22/12/2021
2010	81,350	81,350	39.60	1/01/2014	3/10/2020
2009	107,850	107,850	24.00	1/01/2013	27/10/2019
2008	121,530	121,230	12.10	1/01/2012	5/11/2018
2007	72,910	97,130	26.40	1/01/2011	2/12/2022
2006	40,300	44,850	26.60	1/01/2010	27/11/2021
2005	45,250	58,550	20.90	1/01/2009	6/11/2020
2004	28,950	37,350	14.20	1/01/2008	28/11/2019
2003	27,200	41,200	16.34	1/01/2007	16/11/2018
2002	31,200	37,600	11.60	1/01/2006	13/10/2015
2001	14,250	26,250	13.30	1/01/2005	25/10/2014
2000	25,000	37,350	26.70	1/01/2004	25/09/2013
1999	32,525	57,380	37.50	1/01/2003	17/10/2012
<b>Total</b>	<b>846,129</b>	<b>748,090</b>			

A high proportion of 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)	
	2011	2010	2011	2010
Outstanding options at the beginning of the period	748,090	1,019,510	23.30	22.02
Granted during the period	217,814	81,350	35.00	39.60
Forfeited during the period	-	-3,600	-	18.50
Exercised during the period	-120,075	-349,170	24.00	23.50
Other movements during the period	300	-	12.00	-
<b>Outstanding options at the end of the period</b>	<b>846,129</b>	<b>748,090</b>	<b>26.20</b>	<b>23.30</b>
<i>of which: exercisable at the end of the period</i>	<i>439,115</i>	<i>437,660</i>	<i>16.50</i>	<i>17.30</i>

In 2011, a large part of the options were exercised during the first quarter of the period. The average share price during the period was EUR 43.20 (2010: EUR 36.57).

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

	Number of years
31 December 2011	8.0
31 December 2010	8.1

**NOTE 37: SHARE-BASED PAYMENTS (CONTINUED)**

IFRS 2 "Share-Based Payment" 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. The assumptions for the 2011 and 2010 issues were as follows:

	2011	2010
Number of employees	223	106
Spot share price (EUR)	34.34	39.58
Option exercise price (EUR)	35.00	39.60
Vesting period (in years)	3.0	3.0
Expected life (in years)	7.0	6.8
Expected volatility (in %)	27%	32%
Risk free rate of return (in %)	2.19%	2.67%
Expected dividend (EUR)	0.425	0.350
Probability of ceasing employment before vesting (in %)	0%	0%
Weighted average fair value per option (EUR)	11.04	15.07

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. Long-term funding is managed at the level of each business unit. This funding is complemented 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 and public bonds;
- In the Automobile Distribution segment: public retail bonds and bi-lateral bank facilities.

The securitisation programme of the leasing activities has been fully repaid in early 2012 at the occasion of the contribution of D'Ieteren Lease to Volkswagen D'Ieteren Finance, a joint venture created by the Group and Volkswagen Financial Services (a subsidiary of the Volkswagen group). Debt finance will be provided by the latter going forward. At year-end, the bonds issued throughout this programme are therefore considered as due within one year.

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
<b>At 31 December 2011</b>								
Borrowings								
Bonds	100.0	17.8	249.7	29.3	-	-	349.7	47.1
Bonds under securitisation programme	181.4	1.0	-	-	-	-	181.4	1.0
Obligations under finance leases	20.3	0.5	25.3	2.3	0.7	0.1	46.3	2.9
Other borrowings	22.6	28.6	203.6	78.3	312.3	46.4	538.5	153.3
Total	324.3	47.9	478.6	109.9	313.0	46.5	1,115.9	204.3
Trade and other payables	557.7	-	-	-	-	-	557.7	-
Derivative financial assets and liabilities								
Derivative contracts - receipts	-26.3	-21.0	-	-34.7	-76.6	-20.1	-102.9	-75.8
Derivative contracts - payments	25.4	18.9	-	23.0	73.6	9.8	99.0	51.7
<b>Total</b>	<b>881.1</b>	<b>45.8</b>	<b>478.6</b>	<b>98.2</b>	<b>310.0</b>	<b>36.2</b>	<b>1,669.7</b>	<b>180.2</b>
<b>At 31 December 2010</b>								
Borrowings								
Bonds	-	17.8	349.6	47.0	-	-	349.6	64.8
Bonds under securitisation programme	-	5.5	183.4	11.2	3.0	0.1	186.4	16.8
Obligations under finance leases	205.5	6.1	29.6	2.8	0.8	0.2	235.9	9.1
Other borrowings	151.2	37.4	1,025.7	64.3	119.9	9.4	1,296.8	111.1
Deferred consideration	0.3	-	1.4	-	23.4	-	25.1	-
Total	357.0	66.8	1,589.7	125.3	147.1	9.7	2,093.8	201.8
Trade and other payables	1,117.3	-	-	-	-	-	1,117.3	-
Derivative financial assets and liabilities								
Derivative contracts - receipts	-286.8	-17.4	-82.2	-27.6	-	-	-369.0	-45.0
Derivative contracts - payments	293.7	20.2	76.9	25.8	-	-	370.6	46.0
<b>Total</b>	<b>1,481.2</b>	<b>69.6</b>	<b>1,584.4</b>	<b>123.5</b>	<b>147.1</b>	<b>9.7</b>	<b>3,212.7</b>	<b>202.8</b>

### 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 gradually lower over time.

The hedge horizon overall is typically 3 years. Hedges, or fixed rate indebtedness, beyond 5 years are unusual.

More specifically, the Automobile Distribution segment seeks to protect the margins forthcoming from its long-term (operational) leasing activity (D'leteren Lease). Here, hedging is driven by lease contracts duration (estimated length of contracts, amortisation profiles). As explained in note 2.1, D'leteren Lease has been contributed in early 2012 to Volkswagen D'leteren Finance, a new joint venture created by the Group and Volkswagen Financial Services (a subsidiary of the Volkswagen group).

**NOTE 38: FINANCIAL RISK MANAGEMENT (CONTINUED)**

A change of 100 basis point 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 2011	2.9	-2.9	-	-
31 December 2010 <sup>(1)</sup>	-0.5	0.4	-20.4	20.4

<sup>1</sup> As restated (see note 2.1).

**Currency Risk**

The Group's objective is to protect its cash flows and investments 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. Transaction exposures are limited and generally not material. When material, they are reduced or cancelled as soon as they are identified.

Investments outside the Eurozone generate translation exposures. These are minimised mainly through the creating 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.

A 10 percent strengthening/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% strengthening	10% weakening	10% strengthening	10% weakening
31 December 2011				
EUR vs GBP	0.1	-0.1	-5.9	7.2
EUR vs USD	1.0	-1.2	-0.2	0.2
31 December 2010 <sup>(1)</sup>				
EUR vs GBP	0.1	-0.1	-17.9	20.1
EUR vs USD	0.1	-0.1	-0.3	0.3
EUR vs CHF	-	-	-3.1	3.1

<sup>1</sup> As restated (see note 2.1).

**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 effected 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.

## NOTE 38: FINANCIAL RISK MANAGEMENT (CONTINUED)

### Measurement of financial instruments by category

IFRS 7 requires disclosure of how the fair value measurements fit within the fair value measurement hierarchy. The following table presents the Group's financial assets and liabilities measured at fair value within the hierarchy:

	2011				2010			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Non-current and current assets:</b>								
Available-for-sale financial assets	-	-	-	-	0.2	-	-	0.2
Derivative hedging instruments	-	16.8	-	16.8	-	4.9	-	4.9
Derivatives held for trading	-	12.3	-	12.3	-	19.7	2.2	21.9
<b>Total assets</b>	<b>-</b>	<b>29.1</b>	<b>-</b>	<b>29.1</b>	<b>0.2</b>	<b>24.6</b>	<b>2.2</b>	<b>27.0</b>
<b>Non-current and current liabilities:</b>								
Derivative hedging instruments	-	-	-	-	-	30.2	-	30.2
Derivatives held for trading	-	10.7	-	10.7	-	24.7	-	24.7
<b>Total liabilities</b>	<b>-</b>	<b>10.7</b>	<b>-</b>	<b>10.7</b>	<b>-</b>	<b>54.9</b>	<b>-</b>	<b>54.9</b>

Level 1 comprises those financial instruments measured at fair value where the valuation is based on quoted prices (unadjusted) in active markets for identifiable assets or liabilities. As at 31 December 2010, in the Vehicle Glass segment, the available-for-sale financial assets comprise a non-controlling interest in a listed company.

Level 2 comprises those financial instruments measured at fair value where the valuation is based on inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (this is, as prices) or indirectly (that is, derived from prices). The fair values of all the Group's derivative hedging instruments and derivatives held for trading are determined using valuation techniques. These valuations techniques maximise the use of observable market data where it is available, and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The fair value of the Group's derivative hedging instruments and derivatives held for trading (other than the embedded derivative as at 31 December 2010 in the Car Rental segment – see note 19) are calculated as the present value of the estimated future cash flows based on observable yield curves, and are therefore included in level 2.

Level 3 comprises those financial instruments measured at fair value where the valuation is based on inputs for the asset or liability that are not based on observable data. In 2010, the fair value of the embedded derivative contract (in the Car Rental segment – see note 19) was determined using option valuation techniques which were based on both observable market rates, but also assumptions with respect to estimates of exercise probabilities. The embedded derivative was therefore included in level 3.

## NOTE 39: CONTINGENCIES AND COMMITMENTS

EUR million	2011	2010
Commitments to acquisition of non-current assets	26.3	60.2
Other important commitments:		
Commitments given	40.4	40.4
Commitments received	3.5	2.8

In 2011, the commitments to acquisition of non-current assets mainly concern the vehicle fleet in the Automobile segment and 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	2011	2010
Within one year	109.7	196.2
Later than one year and less than five years	302.1	395.9
After five years	113.0	138.2
<b>Total</b>	<b>524.8</b>	<b>730.3</b>

The Group also acts as a lessor in a number of operating leases, mainly through its wholly-owned subsidiary s.a. D'leteren Lease n.v. The related future minimum lease payments under non-cancellable operating leases, per maturity, are as follows:

EUR million	2011				2010			
	Investment property	Vehicles	Other property, plant and equipment	Total	Investment property	Vehicles	Other property, plant and equipment	Total
Within one year	0.7	88.0	-	88.7	0.8	86.0	-	86.8
Later than one year and less than five years	2.8	129.9	-	132.7	1.6	122.5	-	124.1
After five years	0.3	0.2	-	0.5	0.2	0.2	-	0.4
<b>Total</b>	<b>3.8</b>	<b>218.1</b>	<b>-</b>	<b>221.9</b>	<b>2.6</b>	<b>208.7</b>	<b>-</b>	<b>211.3</b>

At each year end, the Group also had prepaid various other 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.

Under the securitisation programme (see notes 14, 19, 25, 31), D'leteren Lease granted a floating charge on its business to the bondholders to secure its obligations. The floating charge was granted for up to the following amounts:

- in respect of principal: EUR 309.0 million;
- three years of interest calculated at the rate of 5%, or such other rate as may be agreed between the parties.

## NOTE 40: RELATED PARTY TRANSACTIONS

EUR million	2011	2010
<b>With entities with joint control or significant influence over the Group:</b>		
Amount of the transactions entered into during the period	0.7	0.8
Outstanding creditor balance at 31 December	10.4	15.0
<b>With associates:</b>		
Sales	11.6	8.1
Purchases	-0.6	-0.3
Trade receivables outstanding at 31 December	1.0	0.5
<b>With joint ventures in which the Group is a venturer:</b>		
Sales	-	1.7
Trade receivables outstanding at 31 December	-	0.6
<b>With key management personnel:</b>		
Compensation:		
Short-term employee benefits	5.4	4.4
Post-employment benefits	0.2	0.5
Total compensation	5.6	4.9
Amount of the other transactions entered into during the period	n/a	n/a
Outstanding creditor balance at 31 December	n/a	n/a
<b>With other related parties:</b>		
Amount of the transactions entered into during the period	0.2	0.2
Outstanding creditor balance at 31 December	0.5	-

## NOTE 41: DISCONTINUED OPERATIONS

### Framework and discontinued operation

In June 2011 the Boards of Avis Budget Group, Inc. and Avis Europe plc announced that they had reached agreement on the terms of a recommended cash acquisition (315 pence in cash for each Avis Europe share) of the entire share capital of Avis Europe plc by Avis Budget Group by way of a Court-sanctioned Scheme of arrangement between Avis Europe plc and the Avis Europe shareholders under Part 26 of the UK Companies Act. The Board of Directors of the Parent undertook irrevocably to vote in favour of this Scheme, which was effective on 3 October 2011. The Board of Directors of the Parent considered that the Group had lost control at this effective date and has therefore de-consolidated Avis Europe plc and its subsidiaries (Car Rental segment) as from 1 October 2011. The disposal proceeds (EUR 411.8 million after taking into account foreign exchange economic hedging) was received in October 2011.

The Board of Directors of the Parent also considered that the recognition criteria as defined in IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations" were met and has therefore decided to present the 9 months results of the Car Rental segment as a discontinued operation. The consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flows for the year ended 31 December 2010 have been restated accordingly.

### Measurement of the disposal group

The assets and liabilities of the Car Rental segment were re-measured to the lower of carrying amount and fair value less costs to sell at the date of its classification as held for sale.

The Board of Directors of the Parent has considered that the consideration offered for the acquisition of the shares was an indication that the impairment recognised in 2008 on the Avis licence rights has decreased. As a result and in accordance with the requirements of IAS 36, a reversal of impairment charge has been recognised to bring the carrying amount of the Car Rental segment to its fair value less costs to sell at the date of disposal. The resulting reversal of impairment charge (gross amount of EUR 96.2 million) has been fully allocated to the value of the Avis licence rights. This reversal of impairment has also led to an increase of EUR 28.8 million in the deferred tax liability arising on the recognition of the Avis licence rights.

## NOTE 41: DISCONTINUED OPERATIONS (CONTINUED)

## Income statement

EUR million	30 September 2011			31 December 2010		
	Total	Current items <sup>(1)</sup>	Unusual items and re-measurements <sup>(1)</sup>	Total	Current items <sup>(1)</sup>	Unusual items and re-measurements <sup>(1)</sup>
Sales	1,161.2	1,161.2	-	1,519.8	1,519.8	-
Operating result	136.4	157.7	-21.3	92.0	108.2	-16.2
Net finance costs	-39.1	-36.7	-2.4	-58.3	-59.5	1.2
Result before tax	97.3	121.0	-23.7	33.7	48.7	-15.0
Share of result of entities accounted for using the equity method	0.6	0.6	-	2.3	2.3	-
Tax expense	-29.3	-35.5	6.2	-16.6	-23.1	6.5
Result after tax of discontinued operations	68.6	86.1	-17.5	19.4	27.9	-8.5
Result before tax recognised on the re-measurement of assets disposed of	96.2	-	96.2	-	-	-
Recycling of other comprehensive income reserves	-13.6	-	-13.6	-	-	-
Tax expense	-28.8	-	-28.8	-	-	-
Result after tax from discontinued operations	122.4	86.1	36.3	19.4	27.9	-8.5

<sup>1</sup> See summary of significant accounting policies in note 2.

In accordance with the requirements of IFRS 5, the Group has decided not to depreciate the Car Rental's non-current assets (including fleet vehicles) as from the date of its classification as held for sale (30 June 2011). The impact in the consolidated income statement is EUR 36.4 million.

## Unusual items and re-measurements

EUR million	30 September 2011	31 December 2010
Operating result	-21.3	-16.2
Re-measurements of financial instruments	-0.1	-2.8
Amortisation of Avis licence rights	-6.2	-13.7
Other unusual items	-15.0	0.3
Net finance costs	-2.4	1.2
Re-measurements of financial instruments	0.8	-4.6
Foreign exchange	0.3	-2.0
Other unusual items	-3.5	7.8
Result before tax recognised on the re-measurement of assets disposed of	96.2	-
Reversal of impairment of Avis licence rights	96.2	-
Recycling of other comprehensive income reserves	-13.6	-
Recycling of cash flow hedges	-6.3	-
Recycling of translation differences	-7.3	-
Tax expense	-22.6	6.5
Total unusual items and re-measurements	36.3	-8.5

In the period, other unusual items presented in operating result are costs relating to the acquisition of Avis Europe by Avis Budget Group Inc. (national insurance costs associated with share options and professional, legal and consultancy costs recognised by Avis Europe).

## NOTE 41: DISCONTINUED OPERATIONS (CONTINUED)

### Assets and liabilities

EUR million	30 September 2011
Goodwill	0.9
Other intangible assets	453.4
Vehicles	549.5
Other property, plant and equipment	58.5
Equity accounted investments	17.5
Available-for-sale financial assets	0.1
Deferred tax assets	51.0
<b>Non-current assets</b>	<b>1,130.9</b>
Inventories	9.7
Derivatives instruments	1.3
Current tax assets	1.2
Trade and other receivables	1,356.6
Cash and cash equivalents	109.5
<b>Current assets</b>	<b>1,478.3</b>
<b>TOTAL ASSETS</b>	<b>2,609.2</b>
<b>Non-controlling interest</b>	<b>265.2</b>
Long-term employee benefit obligations	75.6
Other provisions	26.8
Borrowings	24.2
Deferred tax liabilities	150.4
<b>Non-current liabilities</b>	<b>277.0</b>
Provisions	25.4
Derivatives instruments	22.4
Borrowings	906.4
Current tax liabilities	43.4
Trade and other payables	660.6
<b>Current liabilities</b>	<b>1,658.2</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,200.4</b>

### Earnings per share for result from discontinued operations attributable to equity holders of the Parent

EUR	30 September 2011			31 December 2010		
	Total	Current items <sup>(1)</sup>	Unusual items and re-measurements <sup>(1)</sup>	Total	Current items <sup>(1)</sup>	Unusual items and re-measurements <sup>(1)</sup>
Basic	1.26	0.94	0.32	0.21	0.31	-0.10
Diluted	1.26	0.94	0.32	0.22	0.30	-0.08

<sup>1</sup> See summary of significant accounting policies in note 2.

## NOTE 41: DISCONTINUED OPERATIONS (CONTINUED)

## Total comprehensive income

EUR million	30 September 2011	31 December 2010
<b>Total comprehensive income</b>		
Result for the period	122.4	19.4
Actuarial gains (losses) on employee benefit obligations	-5.8	7.4
Translation differences	4.8	9.4
Cash flow hedges: fair value gains (losses) in equity	-	-7.4
Cash flow hedges: transferred to income statement	2.2	10.0
Tax relating to items recognised in other comprehensive income	2.9	-1.1
Recycling to income statement of translation differences	7.3	-
Recycling to income statement of cash flow hedges	6.3	-
<b>Total</b>	<b>140.1</b>	<b>37.7</b>

## Cash flows

EUR million	30 September 2011	31 December 2010
<b>Net cash generated from operating activities</b>	<b>-104.7</b>	<b>177.0</b>
<b>Net cash from investing activities</b>	<b>-4.6</b>	<b>-6.3</b>
<b>Net cash from financing activities</b>	<b>-12.9</b>	<b>-0.1</b>
<b>Effect on cash flows</b>	<b>-122.2</b>	<b>170.6</b>



## NOTE 42: 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:

	Country of incorporation	% of share capital owned at 31 Dec. 2011	% of share capital owned at 31 Dec. 2010
<b>Automobile Distribution</b>			
s.a. D'Ieteren Lease n.v.	Belgium	100%	100%
s.a. D'Ieteren Sport n.v.	Belgium	75%	75%
Power To Wheels s.a.	Belgium	100%	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 Car Rental s.a.	Luxemburg	-	100%
D'Ieteren Vehicle Glass s.a.	Luxemburg	100%	100%
Dicobel s.a.	Belgium	100%	100%
Verellen s.a.	Belgium	100%	100%
Kronos Automobiles s.a.	Belgium	100%	100%
Penders s.a.	Belgium	100%	-
<b>Car Rental</b>			
Avis Europe plc	United Kingdom	-	59.59%
<b>Vehicle Glass</b>			
Belron s.a.	Luxemburg	92.73%	92.73%

Taking into account the treasury shares held by Avis Europe, the percentages used for the consolidation of Avis Europe are higher than the proportion held in Avis Europe's share capital shown above:

	2011	2010
Average percentage	60.13%	60.06%
Year-end percentage	-	60.05%

In 2010, taking into account the impact of the sale of one percent of Belron's equity to the family holding company of Belron's CEO, the average percentage used in 2010 for the consolidation of Belron was different than the year-end percentage.

	2011	2010
Average percentage	92.73%	93.24%
Year-end percentage	92.73%	92.73%

**NOTE 43: 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	2011	2010
<b>Closing rate</b>		
AUD	0.78	0.76
BRL	0.41	0.45
CAD	0.75	0.75
GBP	1.20	1.18
USD	0.77	0.76
<b>Average rate<sup>(1)</sup></b>		
AUD	0.74	0.70
BRL	0.42	0.43
CAD	0.73	0.74
GBP	1.16	1.18
USD	0.72	0.76

<sup>1</sup> Effective average rate for the profit or loss attributable to equity holders.

**NOTE 44: SUBSEQUENT EVENTS**

The contribution of D'Ieteren Lease s.a., the Group subsidiary active in operating leases, to Volkswagen D'Ieteren Finance (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) occurred in February 2012. The net gain group's share related to the contribution of all D'Ieteren Lease shares amounts to ca. EUR 40 million (after taking into account the settlement of various swaps related to the securitisation programme).

## NOTE 45: AUDITOR'S REPORT

### Statutory Auditor's report to the General Meeting of Shareholders of D'Ieteren s.a. on the consolidated financial statements for the year ended December 31, 2011

In accordance with the legal requirements, we report to you on the performance of the engagement of Statutory Auditor which has been entrusted to us. This report contains our opinion on the true and fair view of the consolidated financial statements as well as the required additional statements.

#### Unqualified audit opinion on the consolidated financial statements

We have audited the consolidated financial statements for the year ended December 31, 2011, prepared in accordance with International Financial Information Standards as adopted by the European Union, which show a balance sheet total of EUR 3,650.3 million and of which the profit and loss account closes with a profit for the year attributable to equity holders for an amount of EUR 312.6 million.

These consolidated financial statements include subsidiaries, which have been audited by other auditors. Within the framework of our assignment on the consolidated financial statements, we obtained their clearance on the accounts of the related subsidiaries.

Management is responsible for the preparation and the fair presentation of these consolidated financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting principles and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the legal requirements and the auditing standards applicable in Belgium, as issued by the Institute of Registered Auditors (Institut des Reviseurs d'Entreprises / Instituut der Bedrijfsrevisoren). Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatements, whether due to fraud or error.

In accordance with the above-mentioned auditing standards, we have carried out procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The selection of these procedures is a matter for our judgment, as is the assessment of the risk that the consolidated financial statements contain material misstatements, whether due to fraud or error. In making those risk assessments, we have considered the company's internal control relating to the preparation and fair presentation of the consolidated financial statements, in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. We have also assessed the appropriateness of the accounting principles and consolidation principles, the reasonableness of accounting estimates made by management, as well as the overall presentation of the consolidated financial statements. Finally, we have obtained from management and the company's officials the explanations and information necessary for our audit. We believe that the audit evidence we have obtained provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements for the year ended December 31, 2011 give a true and fair view of the group's assets and liabilities, its financial situation, the results of its operations and cash flows in accordance with International Financial Reporting Standards as adopted by the European Union.

#### Additional statements

The preparation of the consolidated Directors' report and its content are the responsibility of management.

Our responsibility is to supplement our report with the following additional statement, which does not modify our audit opinion on the consolidated financial statements:

- the consolidated Directors' report includes the information required by law and is consistent with the consolidated financial statements. We are, however, unable to comment on the description of the principal risks and uncertainties which the consolidated group is facing, and of its financial situation, its foreseeable evolution or the significant influence of certain facts on its future development. We can nevertheless confirm that the matters disclosed do not present any obvious inconsistencies with the information that we became aware of during the performance of our engagement.

Lasne, March 26, 2012

BDO Réviseurs d'entreprises SOC. CIV. SCRL  
Statutory Auditor  
Represented by

Félix FANK  
Registered Auditor

Hugues FRONVILLE  
Registered Auditor

# s.a. D'Ieteren n.v. Abridged Statutory Financial Statements 2011

## CONTENTS

83	ABRIDGED BALANCE SHEET
84	ABRIDGED INCOME STATEMENT
85	ABRIDGED APPROPRIATION
85	ABRIDGED NOTE
86	SUMMARY OF ACCOUNTING POLICIES

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](http://www.dieteren.com) or on request from:

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

The Statutory Auditor has issued an unqualified opinion on the statutory financial statements of s.a. D'Ieteren n.v.

# Abridged Balance Sheet

At 31 December

EUR million	2011	2010
<b>ASSETS</b>		
<b>Fixed assets</b>	<b>2,428.2</b>	<b>2,419.0</b>
II. Intangible assets	1.8	1.2
III. Tangible assets	96.5	95.5
IV. Financial assets	2,329.9	2,322.3
<b>Current assets</b>	<b>401.1</b>	<b>350.3</b>
V. Non-current receivables	-	0.1
VI. Stocks	354.5	299.1
VII. Amounts receivable within one year	19.2	23.7
VIII. Investments	17.7	17.8
IX. Cash at bank and in hand	1.8	1.4
X. Deferred charges and accrued income	7.9	8.2
<b>TOTAL ASSETS</b>	<b>2,829.3</b>	<b>2,769.3</b>
<b>EUR million</b>	<b>2011</b>	<b>2010</b>
<b>LIABILITIES</b>		
<b>Capital and reserves</b>	<b>920.4</b>	<b>833.1</b>
I.A. Issued capital	160.0	160.0
II. Share premium account	24.4	24.4
IV. Reserves	666.0	608.7
V. Accumulated profits	70.0	40.0
<b>Provisions and deferred taxes</b>	<b>35.6</b>	<b>31.6</b>
<b>Creditors</b>	<b>1,873.3</b>	<b>1,904.6</b>
VIII. Amounts payable after one year	1,306.1	1,363.4
IX. Amounts payable within one year	507.4	489.4
X. Accrued charges and deferred income	59.8	51.8
<b>TOTAL LIABILITIES</b>	<b>2,829.3</b>	<b>2,769.3</b>

# Abridged Income Statement

Year ended 31 December

EUR million		2011	2010
I.	Operating income	3,118.9	2,640.4
II.	Operating charges	3,035.5	2,579.0
III.	Operating profit	83.4	61.4
IV.	Financial income	113.5	84.7
V.	Financial charges	65.1	54.7
VI.	Result on ordinary activities before income taxes	131.8	91.4
VII.	Extraordinary income	-	9.4
VIII.	Extraordinary charges	-	-
IX.	Result for the period before taxes	131.8	100.8
IXbis.	Deferred taxes	-0.5	-
X.	Income taxes	-	-
XI.	Result for the period	131.3	100.8
XII.	Variation of untaxed reserves (1)	-0.7	-
XIII.	Result for the period available for appropriation	130.6	100.8

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

# Abridged Appropriation

Year ended 31 December

EUR million	2011	2010
<b>APPROPRIATION ACCOUNT</b>		
Profit (loss) to be appropriated	170.6	130.8
Gain (loss) of the period available for appropriation	130.6	100.8
Profit (loss) brought forward	40.0	30.0
Withdrawals from capital and reserves	0.3	0.3
from reserves	0.3	0.3
Transfer to capital and reserves	56.8	67.6
to other reserves	56.8	67.6
Profit (loss) to be carried forward	70.0	40.0
Profit to be distributed	44.1	23.5
Dividends	44.1	23.5

This proposed appropriation is subject to approval by the Annual General Meeting of 31 May 2012.

## Abridged Note

### Auditor's Remuneration

The Statutory Auditor is BDO Réviseurs d'entreprises Soc. Civ. SCRL ("BDO"). Auditor's remuneration, including the fees charged by entities related to the Statutory Auditor as defined by article 134 of the Company Law, is analysed as follows:

EUR	2011	2010
<b>Audit</b>		
s.a. D'leteren n.v. (charged by BDO)	191,500	160,000
<b>Non-audit</b>		
Other assurance services		
s.a. D'leteren n.v. (charged by BDO)	126,077	27,104
Tax advisory services (charged by SC BDO, Conseils fiscaux - Belastingconsulenten- former Socofidex)	19,852	14,213
<b>TOTAL</b>	<b>337,429</b>	<b>201,317</b>

## 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 the 1<sup>st</sup> of 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).



## Summary of Accounting Policies (continued)

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 Payable** 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.