s.a. D’Ieteren n.v.
Interim Financial Report
For the 6-month period ended 30 June 2006

Contents

Consolidated Income Statement

6-month period ended 30 June

in EUR million	Notes	2006			2005(1)		
		Current items(2)	Unusual items and re-measurements(2)	Total	Current items(2)	Unusual items and re-measurements(2)	Total
Sales		**2,854.1**		**2,854.1**	**2,443.9**		**2,443.9**
Cost of sales		-2,046.2	-	-2,046.2	-1,748.5	-0.1	-1,748.6
Gross margin		**807.9**	**-**	**807.9**	**695.4**	**-0.1**	**695.3**
Commercial and administrative expenses		-652.9	2.6	-650.3	-564.0	-6.0	-570.0
Other operating income		1.8	3.6	5.4	0.8	3.0	3.8
Other operating expenses		-5.4	-48.6	-54.0	-5.0	-16.5	-21.5
Operating result		**151.4**	**-42.4**	**109.0**	**127.2**	**-19.6**	**107.6**
Net finance costs		-48.9	1.4	-47.5	-45.8	0.4	-45.4
Result before tax	4	**102.5**	**-41.0**	**61.5**	**81.4**	**-19.2**	**62.2**
Share of result of entities accounted for using the equity method		0.3	-	0.3	-	-	-
Tax expense		-14.3	6.8	-7.5	-17.8	5.4	-12.4
Result from continuing operations		**88.5**	**-34.2**	**54.3**	**63.6**	**-13.8**	**49.8**
Discontinued operations		-	-	-	-	-	-
RESULT FOR THE PERIOD		**88.5**	**-34.2**	**54.3**	**63.6**	**-13.8**	**49.8**
Result attributable to:							
Equity holders of the Parent	4/10	**76.1**	**-23.8**	**52.3**	**51.7**	**-8.5**	**43.2**
Minority interest		12.4	-10.4	2.0	11.9	-5.3	6.6
Basic earnings per share (in EUR)	12	13.80	-4.33	9.47	9.36	-1.53	7.83
Diluted earnings per share (in EUR)	12	13.74	-4.30	9.44	9.34	-1.54	7.80

(1) As restated (see note 2.1).
(2) See note 4.

Consolidated Balance Sheet

in EUR million	Notes	30 June 2006	31 Dec. 2005	30 June 2005
Goodwill		607.1	572.0	555.0
Other intangible assets		945.8	959.7	946.7
Vehicles		917.8	722.7	761.2
Other property, plant and equipment		335.6	334.3	316.8
Investment property		6.4	6.1	5.9
Equity accounted investments		11.4	11.8	11.0
Available-for-sale financial assets		1.4	1.6	2.2
Derivative hedging instruments		-	-	0.3
Long-term employee benefit assets		1.3	1.3	1.4
Deferred tax assets		90.4	91.9	76.1
Other receivables		1.0	1.0	0.9
Non-current assets		**2,918.2**	**2,702.4**	**2,677.5**
Non-current assets classified as held for sale		6.8	11.2	13.1
Inventories		444.0	422.3	447.7
Derivative hedging instruments		0.5	-	-
Derivatives held for trading		11.0	10.3	15.8
Other financial assets		68.8	18.5	20.6
Current tax assets		17.8	14.4	43.2
Trade and other receivables		1,964.4	1,617.4	2,029.0
Cash and cash equivalents		82.7	118.7	88.1
Current assets		**2,596.0**	**2,212.8**	**2,657.5**
TOTAL ASSETS		**5,514.2**	**4,915.2**	**5,335.0**
Capital and reserves attributable to equity holders		754.3	709.9	695.9
Minority interest		234.3	235.6	172.1
Equity	10	**988.6**	**945.5**	**868.0**
Long-term employee benefit obligations		160.5	190.0	140.0
Other provisions		130.8	105.0	95.5
Derivative hedging instruments		67.0	52.8	63.0
Borrowings	11	1,525.9	1,400.5	1,275.8
Put options granted to minority shareholders		187.1	170.3	180.4
Other payables		2.9	5.3	4.6
Deferred tax liabilities		262.8	275.7	279.3
Non-current liabilities		**2,337.0**	**2,199.6**	**2,038.6**
Provisions		15.0	3.3	5.6
Derivative hedging instruments		-	0.4	0.6
Borrowings	11	672.1	575.7	816.9
Derivatives held for trading		12.1	16.7	22.0
Current tax liabilities		96.9	89.1	117.4
Trade and other payables		1,392.5	1,084.9	1,465.9
Current liabilities		**2,188.6**	**1,770.1**	**2,428.4**
TOTAL EQUITY AND LIABILITIES		**5,514.2**	**4,915.2**	**5,335.0**

Consolidated Statement of Recognised Income and Expense

6-month period ended 30 June

in EUR million	Notes	2006	2005[1]
Result for the period		54.3	49.8
Income and expense recognised directly in equity			
Actuarial gains (losses) on employee benefit obligations		*18.6*	*-5.2*
Translation differences		*-0.8*	*-1.5*
Fair value of available-for-sale financial instruments		*-0.2*	*-0.6*
Cash flow hedges: fair value losses in equity		*-6.9*	*-1.2*
Cash flow hedges: transferred to income statement		*3.0*	*7.1*
Share-based payments		*0.4*	*0.3*
Tax on items taken directly to equity		*-1.9*	*-4.9*
Subtotal		12.2	-6.0
Total recognised income and expense for the period	10	**66.5**	**43.8**
being: attributable to equity holders of the Parent	10	*59.8*	*39.2*
attributable to minority interest	10	*6.7*	*4.6*

(1) As restated (see note 2.1).

Condensed Consolidated Cash Flow Statement

6-month period ended 30 June

in EUR million	2006	2005
Cash flows from operating activities		
Operating profit	109.0	107.6
Depreciation and amortisation	144.8	124.8
Non-cash operating lease charge on buy-back agreements	76.7	86.1
Other non-cash items	26.1	-8.3
Other cash items	-4.4	1.9
Net payments with respect to vehicles purchased under buy-back agreements	-111.4	-234.9
Change in net working capital	-91.2	-112.5
Cash generated from operations	**149.6**	**-35.3**
Tax paid	-15.8	-3.6
Net cash from operating activities	**133.8**	**-38.9**
Cash flows from investing activities		
Net capital expenditure	-92.2	19.5
Net investment in financial assets	-70.9	-2.8
Net cash from investing activities	**-163.1**	**16.7**
Cash flows from financing activities		
Net acquisition of treasury shares	-2.1	0.2
Net change in borrowings	68.0	96.2
Net interest paid	-47.1	-48.7
Dividends paid by Parent	-13.3	-12.8
Dividends paid by subsidiaries	-11.5	-
Net cash from financing activities	**-6.0**	**34.9**
TOTAL CASH FLOW FOR THE PERIOD	**-35.3**	**12.7**
Reconciliation with balance sheet		
Cash at beginning of period	118.7	55.4
Cash equivalents at beginning of period	-	17.9
Cash and cash equivalents at beginning of period	**118.7**	**73.3**
Total cash flow for the period	-35.3	12.7
Translation differences	-0.7	2.1
Cash and cash equivalents at end of period	**82.7**	**88.1**

Selected Notes

NOTE 1: GENERAL INFORMATION

s.a. D'Ieteren n.v. (the Company or the Parent) is a public company incorporated and domiciled in Belgium, whose controlling shareholders are listed in note 29 of the 2005 annual report. 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 three sectors of services to the motorist:
- distribution in Belgium of Volkswagen, Audi, Seat, Skoda, Bentley, Lamborghini, Porsche, Yamaha and MBK;
- short-term car rental in Europe, Africa, the Middle East and Asia through Avis Europe plc and the Avis and Budget brands;
- vehicle glass repair and replacement in Europe, North and South America, Australia and New Zealand through Belron s.a. and notably its CARGLASS® and AUTOGLASS® brands.

The Group is present in 110 countries on 5 continents.

The Company is listed on Euronext.

These consolidated interim financial statements have been approved for issue by the Board of Directors on 31 August 2006.

NOTE 2: ACCOUNTING POLICIES

Note 2.1: Basis of Preparation

These June 2006 consolidated interim financial statements are for the six months ended 30 June 2006. These consolidated interim financial statements have been prepared in accordance with those IFRS standards and IFRIC interpretations issued and effective or issued and early adopted as at 30 June 2006 which have been endorsed by the European Union, including IAS 34 "Interim Financial Reporting". They have been prepared in a condensed format.

These June 2006 consolidated interim financial statements should be read in conjunction with the 2005 annual report. The accounting policies adopted are consistent with those in the 2005 annual report, and have been consistently applied to all the periods presented, except for IAS 21 "The Effects of Changes in Foreign Exchange Rates" (see below).

These consolidated interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

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

The preparation of the consolidated interim 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 consolidated interim financial statements. If in the future such estimates and assumptions, which are based on management's best judgement at the date of the consolidated interim 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 of the 2005 annual report.

The standards and interpretations issued but not yet effective in 2006 have not been early applied by the Group.

Note 2.2: Significant Accounting Policies

A summary of significant accounting policies is provided in note 2 of the 2005 annual report. The only significant accounting policy amended in 2006 is related to IAS 21 "The Effects of Change in Foreign Exchange Rates". The paragraphs added or amended in December 2005 became retrospectively applicable on 1 January 2006 following the recent endorsement by the EU.

IAS 21 revised states that the net investment definition includes loans between sister companies, and requires certain inter-company items denominated in any currency to be included within a net investment in a foreign operation. The application of the requirements of IAS 21 revised has resulted in the reclassification of foreign exchange movements on certain inter-company debt balances from the consolidated income statement to the consolidated statement of recognised income and expense. This reclassification concerns the Car Rental segment. Comparative amounts have been restated accordingly. The comparative amounts in respect of foreign exchange on debt recognised in the consolidated income statement have been reduced with a corresponding increase in the amount recorded in the consolidated statement of recognised income and expense. These restatements did not affect the capital and reserves attributable to equity holders. In the six months ended 30 June 2005, in the Car Rental segment, the restatement reduced the foreign exchange gain on debt recognised in the consolidated income statement (presented as unusual items and re-measurements in net finance costs) from EUR 14.1 million to EUR 2.5 million and increased the tax credit related to unusual items and re-measurements from EUR 0.8 million to EUR 4.3 million. The net effect of these restatements on the result for the period amounts to EUR -8.1 million (EUR -4.8 million for the result for the period attributable to equity holders of the Parent). For the year ended 31 December 2005, in the Car Rental segment, the restatement reduced the foreign exchange result on debt recognised in the consolidated income statement (presented as unusual items and re-measurements in net finance costs) from a gain of EUR 9.6 million to a loss of EUR 0.1 million with a corresponding reduction in the tax charge related to unusual items and re-measurements from EUR 4.2 million to EUR 1.3 million. The net effect of these restatements on the result for the period amounts to EUR -6.8 million (EUR -4.1 million for the result for the period attributable to equity holders of the Parent).

NOTE 3: SEASONALITY

Automobile Distribution

The Automobile Distribution segment experiences a higher demand for new vehicles (sales of new vehicles represent about 80% of total external sales of the segment) in the first half of the year. This phenomenon is further increased every two years by the impact of the Brussels Motor Show (the latest one occurred in January 2006).

Car Rental

The Car Rental segment experiences a natural increase in demand from leisure customers over the European summer holiday months. This seasonality generally results in lower revenue recognition in the first half as compared to the second half of each year, plus an increase in the number of vehicles acquired in the period leading up to the summer months.

Vehicle Glass

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

NOTE 4: UNUSUAL ITEMS AND RE-MEASUREMENTS

Result for the period

Current result after tax ("current PAT") consists of the reported profit 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 of the 2005 annual report, 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 of the 2005 annual report.

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

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

in EUR million	30 June 2006				30 June 2005 (1)			
	Automobile Distribution	Car Rental	Vehicle Glass	Group	Automobile Distribution	Car Rental	Vehicle Glass	Group
From reported PBT to current PBT, Group's share:								
Reported PBT	46.4	-22.7	37.8	61.5	25.2	-15.0	52.0	62.2
Less: Unusual items and re-measurements in PBT:								
Re-measurements of financial instruments	4.4 (a)	-4.8 (b)	-3.5 (e)	-3.9	2.1 (a)	4.4 (b)	-	6.5
Foreign exchange	-	-0.1 (c)	-	-0.1	-	-2.5 (c)	-	-2.5
Impairment losses on goodwill	-	-	-	-	-	0.6	-	0.6
Amortisation of Avis licence rights	-	10.7	-	10.7	-	10.7	-	10.7
Other unusual items	-	13.6 (d)	20.7 (f)	34.3	-	5.8 (d)	-1.9 (f)	3.9
Current PBT	**50.8**	**-3.3**	**55.0**	**102.5**	**27.3**	**4.0**	**50.1**	**81.4**
Share of minority interest in current PBT	-0.3	1.4	-15.2	-14.1	-0.3	-1.6	-14.1	-16.0
Current PBT, Group's share	**50.5**	**-1.9**	**39.8**	**88.4**	**27.0**	**2.4**	**36.0**	**65.4**
From current PBT, Group's share, to current PAT, Group's share:								
Current PBT, Group's share	50.5	-1.9	39.8	88.4	27.0	2.4	36.0	65.4
Share of the group in current result of equity accounted entities	0.2	0.1	-	0.3	0.2	-0.1	-	0.1
Tax on current PBT, Group's share	-8.2	0.4	-4.8	-12.6	-4.7	-0.5	-8.6	-13.8
Current PAT, Group's share	**42.5**	**-1.4**	**35.0**	**76.1**	**22.5**	**1.8**	**27.4**	**51.7**

(1) As restated (see note 2.1).

NOTE 4: UNUSUAL ITEMS AND RE-MEASUREMENTS (continued)

Automobile Distribution

(a) Loss on the "clean" fair value of derivatives included in net finance costs.

Car Rental

(b) Net finance costs and commercial and administrative expenses include re-measurements of financial instruments amounting to respectively EUR 2.4 million (EUR -0.3 million in the comparable prior period) and EUR 2.4 million (EUR -4.1 million in the comparable prior period) arising from changes in the "clean" fair value of derivatives.

(c) Foreign exchange gain on net debt amounts to EUR 0.1 million (EUR 2.5 million in the comparative prior period after application of IAS 21 revised – see note 2), recognised in net finance costs.

(d) Other unusual items of the Car Rental segment are set out below:

- Restructuring costs of EUR 14.3 million were incurred in the period in connection with the restructuring project Avis Europe commenced in late 2005 covering the roles of its European headquarters, corporate operations, shared service centre and call centres. These restructuring costs are net of an unusual pension curtailment of EUR 1.2 million. Restructuring costs of EUR 1.7 million were incurred in the prior period to June 2005 in connection with the transfer of back-office functions to Avis Europe's shared service centre in Budapest. Restructuring costs are presented in other operating expenses.
- Following Avis Europe's decision in 2004 to terminate the agreement with the principal contractor on the IT back-office project, additional termination costs of EUR 2.9 million (EUR 1.9 million in the comparable period) have been recognised in 2006, primarily arising from the mitigating action being taken against the termination costs, which may lead to a net credit in future accounting periods.
- During the current and prior period, the collection of credit hire receivable balances in the closed Centrus business was more successful than previously anticipated. Unusual income of EUR 0.4 million has been recognised (in other operating income) reflecting a partial reversal of the receivable write-offs and adjustment of reorganisation provisions made in previous years. A similar income of EUR 1.3 million was recognised in the comparable prior period.
- In June 2006, significant changes to the unfunded pension scheme in Germany were made. Unusual income related to past service costs of EUR 3.2 million has been recognised in other operating income.
- In 2005, various professional, legal and consultancy costs were incurred in conjunction with Avis Europe's capital restructuring and the rights issue (see note 9 of the 2005 annual report). Where such costs were not directly attributable to the issue of new shares, or the drawing down of new debt facilities, they were recognised immediately in the income statement as unusual items in other operating expenses.

Vehicle Glass

(e) Gain on the "clean" fair value of derivatives recorded in commercial and administrative expenses (EUR 0.2 million) and in net finance costs (EUR 3.3 million).

(f) Other unusual items of the Vehicle Glass segment are set out below:

- Unusual costs of EUR 20.7 million (in other operating expenses) were incurred in the first half and comprise EUR 18.6 million one-off costs related to the integration and transformation programme underway in North America aimed at improving operating margins of recent acquisitions, as well as EUR 2.1 million arising from the decision to close the manufacturing operations in Australia during the second half of the year.
- In the period to June 2005, an unusual reversal (in other operating income) of EUR 1.7 million was booked to bring the provision previously set up to cover the cash settlement of the management share option scheme (as Belron was no longer seeking a flotation) in line with the amounts due. Other unusual items in net finance costs included realised gains on disposals of financial assets (EUR 0.2 million).

Assets, Liabilities, Equity, Cash Flows

No unusual items, other than those listed above, have any material impact on assets, liabilities, equity or cash flows.

NOTE 5: DIVIDENDS

The Ordinary General Meeting of 1 June 2006 decided to distribute a gross dividend of EUR 2.40 per ordinary share for the year 2005. Payment of the dividend started from 8 June 2006. The aggregate dividend amounts to EUR 13.3 million.

NOTE 6: SEGMENT INFORMATION

The Group's primary reporting format is by business segment. Reportable segments are Automobile Distribution, Car Rental and Vehicle Glass.

The Automobile Distribution segment includes the automobile distribution activities (see note 1) as well as corporate activities. The Car Rental segment comprises Avis Europe plc and its subsidiaries, joint ventures and associates (see note 1). The Vehicle Glass segment comprises Belron s.a. and its subsidiaries (see note 1).

This segmentation is consistent with the Group's organisational and internal reporting structure.

Segment Income Statement - Business Segments (6-month period ended 30 June)

in EUR million	**2006**					**2005[1]**				
	Automobile Distribution	**Car Rental**	**Vehicle Glass**	**Eliminations**	**Group**	**Automobile Distribution**	**Car Rental**	**Vehicle Glass**	**Eliminations**	**Group**
External sales	1,473.6	614.3	766.2		2,854.1	1,239.5	582.3	622.1		2,443.9
Inter-segment sales	1.3	0.1	1.6	-3.0	-	1.6	-	1.3	-2.9	-
Segment sales	**1,474.9**	**614.4**	**767.8**	**-3.0**	**2,854.1**	**1,241.1**	**582.3**	**623.4**	**-2.9**	**2,443.9**
Operating result (being segment result)	**62.2**	**3.1**	**43.7**		**109.0**	**37.0**	**12.1**	**58.5**		**107.6**
of which: current items	*62.2*	*25.0*	*64.2*		*151.4*	*37.0*	*33.3*	*56.9*		*127.2*
unusual items and re-measurements	-	*-21.9*	*-20.5*		*-42.4*	-	*-21.2*	*1.6*		*-19.6*
Net finance costs	-15.8	-25.8	-5.9		-47.5	-11.8	-27.1	-6.5		-45.4
Result before taxes	**46.4**	**-22.7**	**37.8**		**61.5**	**25.2**	**-15.0**	**52.0**		**62.2**
of which: current items	*50.8*	*-3.3*	*55.0*		*102.5*	*27.3*	*4.0*	*50.1*		*81.4*
unusual items and re-measurements	*-4.4*	*-19.4*	*-17.2*		*-41.0*	*-2.1*	*-19.0*	*1.9*		*-19.2*
Share of result after tax of companies accounted for using the equity method	0.2	0.1	-		0.3	0.2	-0.2	-		-
Tax	-6.7	6.6	-7.4		-7.5	-4.1	4.3	-12.6		-12.4
Result from continuing operations	**39.9**	**-16.0**	**30.4**		**54.3**	**21.3**	**-10.9**	**39.4**		**49.8**
of which: current items	*42.7*	*-2.3*	*48.1*		*88.5*	*22.7*	*2.9*	*38.0*		*63.6*
unusual items and re-measurements	*-2.8*	*-13.7*	*-17.7*		*-34.2*	*-1.4*	*-13.8*	*1.4*		*-13.8*
Result from discontinued operations	-	-	-		-	-	-	-		-
RESULT FOR THE PERIOD	**39.9**	**-16.0**	**30.4**		**54.3**	**21.3**	**-10.9**	**39.4**		**49.8**
Attributable to:										
Equity holders of the Parent	39.7	-9.4	22.0		52.3	21.1	-6.3	28.4		43.2
of which: current items	*42.5*	*-1.4*	*35.0*		*76.1*	*22.5*	*1.8*	*27.4*		*51.7*
unusual items and re-measurements	*-2.8*	*-8.0*	*-13.0*		*-23.8*	*-1.4*	*-8.1*	*1.0*		*-8.5*
Minority interest	0.2	-6.6	8.4		2.0	0.2	-4.6	11.0		6.6
RESULT FOR THE PERIOD	**39.9**	**-16.0**	**30.4**		**54.3**	**21.3**	**-10.9**	**39.4**		**49.8**

(1) As restated (see note 2.1).

NOTE 7: SUBSEQUENT EVENTS

Car Rental

Subsequent to the period end, the Avis Europe group has issued EUR 250 million Senior Floating Rate Notes due 2013. The Avis Europe group will use the net proceeds of the notes to temporarily repay indebtedness under the Senior Revolving Credit Facility and the commercial paper programme. In due course the net proceeds will be used to re-finance obligations under the Avis Europe group's EUR 120 million 6.4% Guaranteed Notes due 2007, the Avis Europe group's EUR 50 million Euro Notes due 2006 and 2007, and the Avis Europe group's USD 102 million 8.17% Series A Loan Notes due 2007.

Vehicle Glass

In August, Belron completed the acquisition of its Greek franchisee and its associated distribution business, with annual sales of over EUR 6 million and six Carglass branches.

NOTE 8: BUSINESS COMBINATIONS

During the period, the Group acquired the following items (in the Vehicle Glass segment):

- A 100% interest in Nationwide Autoglazing Ltd and Glasscare Ltd (United Kingdom), which are a third party agent negotiating preferred supplier arrangements with insurers and referral arrangements with insurance brokers. These acquisitions were effective from 31 January 2006.
- A 100% interest in Maverick Auto Glass, Inc., headquartered in Phoenix, Arizona, which operate 5 service centres in this region of the United States. This acquisition was effective from 31 March 2006.
- A 100% interest in Cristalauto Toledo S.L. which operate a branch in Spain. This acquisition was effective from 16 May 2006.
- A 100% interest in AB Alatalo & Co which operate a branch in Sweden. This acquisition was effective from 1 June 2006.

The results and cash flows 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 acquisitions have been accounted for using the acquisition method of accounting. The details of the net assets acquired, goodwill and consideration of the acquisitions are set out below:

in EUR million	Book value	Adjustment(1)	Provisional fair value(2)
Other property, plant & equipment	0.4	-	0.4
Inventories	0.1	-	0.1
Trade and other receivables	3.0	-	3.0
Trade and other payables	-3.3	-	-3.3
Net assets acquired	**0.2**	**-**	**0.2**
Goodwill			8.7
CONSIDERATION			**8.9**
Consideration satisfied by:			
Cash payment			8.0
Cash acquired			-0.7
Deferred consideration			2.0
Associated costs arising on acquisition			-0.4
			8.9

(1) Fair value and accounting policy adjustments.

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

The goodwill on the 2005 acquisitions was increased by EUR 7.2 million reflecting fair value adjustments made to the initial valuations disclosed in note 12 of the 2005 annual report. This increase reflects changes in the fair value of brands (decrease of EUR 5.7 million), other net assets (increase of EUR 1.6 million) and consideration (increase of EUR 3.1 million).

No specific disclosure is provided regarding the business combination that occurred after the balance sheet date but before the consolidated interim financial statements were authorised for issue (see note 7), since the accounting review process of the acquiree is still ongoing and the impact on the consolidated financial statements is not expected to be material.

NOTE 9: CHANGES IN CONTINGENCIES AND COMMITMENTS

Contingencies and commitments at 31 December 2005 were disclosed in note 39 of the 2005 annual report. The contingencies and commitments at 31 December 2005 were related to the normal course of business. In the period to 30 June 2006, no event out of the normal course of business affected contingent assets and liabilities.

NOTE 10: CHANGES IN EQUITY

in EUR million	Capital and reserves attributable to equity holders										Total Group's share	Minority interest	Equity
	Share capital	Share premium	Treasury shares	Share-based payment reserve	Fair value reserve	Hedging reserve	Retained earnings	Actuarial gains and losses	Deferred taxes	Cumulative translation differences			
At 1 January 2005	**160.0**	**24.4**	**-9.8**	**0.4**	**0.8**	**-9.2**	**513.0**	**-8.4**	**4.3**	**-6.1**	**669.4**	**176.7**	**846.1**
Treasury shares	-	-	0.1	-	-	-	-	-	-	-	0.1	-	0.1
Dividend 2004 paid in 2005	-	-	-	-	-	-	-12.8	-	-	-	-12.8	-0.2	-13.0
Other movements	-	-	-	-	-	-	-	-	-	-	-	-9.0	-9.0
Total recognised income and expense	-	-	-	0.2	-0.5	3.0	48.0	-2.9	-0.8	-7.8	39.2	4.6	43.8
At 30 June 2005 (as reported)	**160.0**	**24.4**	**-9.7**	**0.6**	**0.3**	**-6.2**	**548.2**	**-11.3**	**3.5**	**-13.9**	**695.9**	**172.1**	**868.0**
Restatements (see note 2.1)	-	-	-	-	-	-	-4.8	-	-2.1	6.9	-	-	-
At 30 June 2005 (as restated)	**160.0**	**24.4**	**-9.7**	**0.6**	**0.3**	**-6.2**	**543.4**	**-11.3**	**1.4**	**-7.0**	**695.9**	**172.1**	**868.0**
At 31 December 2005 (as reported)	**160.0**	**24.4**	**-9.1**	**0.8**	**0.4**	**-4.5**	**580.5**	**-42.3**	**12.2**	**-12.5**	**709.9**	**235.6**	**945.5**
Restatements (see note 2.1)	-	-	-	-	-	-	-4.1	-	-1.7	5.8	-	-	-
At 31 December 2005 (as restated)	**160.0**	**24.4**	**-9.1**	**0.8**	**0.4**	**-4.5**	**576.4**	**-42.3**	**10.5**	**-6.7**	**709.9**	**235.6**	**945.5**
Treasury shares	-	-	-2.1	-	-	-	-	-	-	-	-2.1	0.2	-1.9
Dividend 2005 paid in 2006	-	-	-	-	-	-	-13.3	-	-	-	-13.3	-11.5	-24.8
Other movements	-	-	-	-	-	-	-	-	-	-	-	3.3	3.3
Total recognised income and expense	-	-	-	0.3	-0.1	-2.2	52.3	11.1	-1.1	-0.5	59.8	6.7	66.5
At 30 June 2006	**160.0**	**24.4**	**-11.2**	**1.1**	**0.3**	**-6.7**	**615.4**	**-31.2**	**9.4**	**-7.2**	**754.3**	**234.3**	**988.6**

NOTE 11: 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 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 IAS39) are translated at the contractual foreign exchange rates of the related cross currency swaps. The other borrowings are translated at closing foreign exchange rates.

in EUR million	30 June 2006	31 Dec. 2005	30 June 2005
Non-current borrowings	1,525.9	1,400.5	1,275.8
Current borrowings	672.1	575.7	816.9
Adjustment for hedged borrowings	63.2	54.1	56.3
Gross debt	**2,261.2**	**2,030.3**	**2,149.0**
Less: Cash and cash equivalents	-82.7	-118.7	-88.1
Less: Current financial assets	-68.8	-18.5	-20.6
Net debt	**2,109.7**	**1,893.1**	**2,040.3**

NOTE 12: EARNINGS PER SHARE

Earnings per share ("EPS") are shown above, on the face of the consolidated income statement.

Basic and diluted EPS are based on the profit for the period attributable to equity holders of the Parent, after adjustment for participating shares (each participating share confers one voting right and gives right to a dividend equal to one eighth of the dividend of an ordinary share). Current EPS, which do not include unusual items and re-measurements as defined in note 4, 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. Such shares constitute the only category of potentially dilutive ordinary shares

The options over ordinary shares of Avis Europe did not impact earnings per share in either 2005 or 2006 as the option exercise prices were in excess of the market share price.

The options over ordinary shares of the Parent increased the weighted average number of shares of the Parent in the first half of 2005 and 2006 as some option exercise prices were below the market share price. These options are dilutive.

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

		30 June 2006	30 June 2005(1)
Result for the period attributable to equity holders		52.3	43.2
Adjustment for participating shares		-0.6	-0.5
Numerator for EPS (in EUR million)	*(a)*	51.7	42.7
Current result for the period attributable to equity holders		76.1	51.7
Adjustment for participating shares		-0.8	-0.6
Numerator for current EPS (in EUR million)	*(b)*	75.3	51.1
Weighted average number of ordinary shares outstanding during the period	*(c)*	5,457,223	5,456,432
Adjustment for stock option plans		21,999	15,288
Weighted average number of ordinary shares taken into account for diluted EPS	*(d)*	5,479,222	5,471,720
Basic EPS (in EUR)	*(a)/(c)*	9.47	7.83
Diluted EPS (in EUR)	*(a)/(d)*	9.44	7.80
Basic current EPS (in EUR)	*(b)/(c)*	13.80	9.36
Diluted current EPS (in EUR)	*(b)/(d)*	13.74	9.34

(1) As restated (see note 2.1).

NOTE 13: AUDITOR'S REPORT

Report of the Statutory Auditor on D'Ieteren's half yearly consolidated financial information for the period ended June 30, 2006

We have conducted a limited review of the half yearly-consolidated financial information for the period ended June 30, 2006.

The balance sheet total amounts to EUR 5,514.2 million and closes for the period ended June 30, 2006 with a profit attributable to equity holders of S.A. D'IETEREN N.V. of EUR 52.3 million.

This limited review consisted principally of analysis, comparison and discussions of the financial information and therefore was less extensive than an audit, the purpose of which is to form an opinion on the financial statements taken as a whole. This review did not disclose any elements that would have required significant corrections in the half yearly-consolidated financial information

Brussels, September 1st, 2006

SC DELVAUX, FRONVILLE, SERVAIS ET ASSOCIÉS
Statutory Auditor
Represented by

Gérard DELVAUX Auditor	Jean-Louis SERVAIS Auditor