

s.a. D'Ieteren n.v.

Consolidated Financial Statements 2012

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The statutory auditor, BDO Réviseurs d'entreprises – Bedrijfsrevisoren Soc. Civ. SCRL, represented by Félix Fank and Hugues Fronville, has confirmed that its audit work, which is substantially complete, has not revealed any significant matters requiring adjustments to the 2012 consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements included in this document.

Financial report, excluding the Directors' Report, as approved by the Board of Directors, for presentation to the Annual General Meeting of 30 May 2013.

Consolidated Income Statement

Year ended 31 December

EUR million	Notes	2012			2011 ⁽¹⁾		
		Total	Of which Current items ⁽²⁾	Unusual items and re-measu- rements ⁽²⁾	Total	Of which Current items ⁽²⁾	Unusual items and re-measu- rements ⁽²⁾
Sales	4	5,514.5	5,514.5	-	5,977.3	5,977.3	-
Cost of sales		-3,861.4	-3,901.8	40.4	-4,246.3	-4,246.4	0.1
Gross margin		1,653.1	1,612.7	40.4	1,731.0	1,730.9	0.1
Commercial and administrative expenses		-1,373.9	-1,356.7	-17.2	-1,369.3	-1,357.6	-11.7
Other operating income		40.6	1.5	39.1	2.2	2.2	-
Other operating expenses		-35.8	-4.9	-30.9	-12.4	1.7	-14.1
Operating result	5	284.0	252.6	31.4	351.5	377.2	-25.7
Net finance costs	6	-46.4	-44.4	-2.0	-54.1	-55.2	1.1
Share of result of entities accounted for using the equity method	7	-4.0	4.3	-8.3	-0.1	-0.1	-
Result before tax	9	233.6	212.5	21.1	297.3	321.9	-24.6
Tax expense	8	-36.2	-42.8	6.6	-43.7	-49.5	5.8
Result from continuing operations		197.4	169.7	27.7	253.6	272.4	-18.8
Discontinued operations	41	-	-	-	122.4	86.1	36.3
RESULT FOR THE PERIOD		197.4	169.7	27.7	376.0	358.5	17.5
Result attributable to:							
Equity holders of the Parent	9	192.3	161.6	30.7	312.6	312.0	0.6
Non-controlling interest		5.1	8.1	-3.0	63.4	46.5	16.9
Earnings per share for result for the period attributable to equity holders of the Parent							
Basic (EUR)	10	3.49	2.93	0.56	5.66	5.65	0.01
Diluted (EUR)	10	3.48	2.92	0.56	5.63	5.62	0.01
Earnings per share for result from continuing operations attributable to equity holders of the Parent							
Basic (EUR)	10	3.49	2.93	0.56	4.40	4.71	-0.31
Diluted (EUR)	10	3.48	2.92	0.56	4.37	4.68	-0.31

(1) As restated (see note 2.1).

(2) 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	2012	2011
Result for the period		197.4	376.0
Other comprehensive income			
<i>Actuarial gains (losses) on employee benefit obligations</i>	20	12.2	-57.0
<i>Translation differences</i>		-4.5	1.0
<i>Translation differences: recycling to income statement</i>	41	-	7.3
<i>Fair value of available-for-sale financial instruments</i>		-	-0.1
<i>Cash flow hedges: fair value gains (losses) in equity</i>		-1.2	17.8
<i>Cash flow hedges: transferred to income statement</i>		-	2.2
<i>Cash flow hedges: recycling to income statement</i>	41	-	6.3
<i>Tax relating to actuarial gains (losses) on employee benefit obligations</i>		-2.5	15.8
<i>Tax relating to translation differences</i>		-	-0.4
<i>Tax relating to cash flow hedges</i>		-0.3	-4.9
Subtotal		3.7	-12.0
Total comprehensive income for the period		201.1	364.0
<i>being: attributable to equity holders of the Parent</i>		195.7	301.1
<i>Continuing operations</i>		195.7	215.3
<i>Discontinued operations</i>	41	-	85.8
<i>attributable to non-controlling interest</i>		5.4	62.9

Consolidated Statement of Financial Position

At 31 December

EUR million	Notes	2012	2011
Goodwill	11	1,042.1	1,026.0
Other intangible assets	13	430.2	428.4
Other property, plant and equipment	15	456.4	436.3
Investment property	16	5.1	5.6
Equity accounted investments	7	59.4	3.8
Available-for-sale financial assets	17	0.5	0.5
Derivative hedging instruments	18	-	15.7
Long-term employee benefit assets	20	54.9	30.5
Deferred tax assets	21	53.9	54.3
Other receivables	22	22.8	3.0
Non-current assets		2,125.3	2,004.1
Non-current assets classified as held for sale	23	-	347.7
Inventories	24	561.5	626.9
Held-to-maturity investments	25	211.7	-
Derivative hedging instruments	18	0.1	1.1
Derivatives held for trading	19	9.5	12.3
Other financial assets	25	0.5	1.1
Current tax assets	26	9.2	7.7
Trade and other receivables	27	393.8	399.4
Cash and cash equivalents	28	181.7	250.0
Current assets		1,368.0	1,646.2
TOTAL ASSETS		3,493.3	3,650.3
Capital and reserves attributable to equity holders		1,677.3	1,530.5
Non-controlling interest		1.8	1.6
Equity		1,679.1	1,532.1
Long-term employee benefit obligations	20	58.0	59.1
Other provisions	30	25.6	68.6
Borrowings	31/32	801.2	788.2
Derivatives held for trading	19	6.9	1.1
Put options granted to non-controlling shareholders	33	134.1	154.0
Other payables	34	15.1	7.7
Deferred tax liabilities	21	42.8	45.6
Non-current liabilities		1,083.7	1,124.3
Liabilities associated with non-current assets held for sale	23	-	333.2
Provisions	30	6.5	8.9
Derivative hedging instruments	18	0.1	-
Borrowings	31/32	109.2	53.1
Derivatives held for trading	19	2.1	7.6
Current tax liabilities	26	22.8	33.4
Trade and other payables	35	589.8	557.7
Current liabilities		730.5	993.9
TOTAL EQUITY AND LIABILITIES		3,493.3	3,650.3

Consolidated Statement of Changes in Equity

At 31 December

EUR million	Capital and reserves attributable to equity holders										Total Group's share	Non- controlling interest	Equity
	Share capital	Share premium	Treasury shares	Share- based payment reserve	Fair value reserve	Hedging reserve	Retained earnings	Actuarial gains and losses	Taxes	Cumu- lative translation differences			
At 1 January 2011	160.0	24.4	-15.6	4.5	0.1	-3.3	1,126.3	-38.4	15.9	-23.3	1,250.6	214.1	1,464.7
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	-	-	-	-	-	-	-	-	-	-	-	-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
At 31 December 2011	160.0	24.4	-15.6	7.0	-	20.9	1,415.2	-89.4	24.7	-16.7	1,530.5	1.6	1,532.1
Treasury shares	-	-	-6.8	-	-	-	-	-	-	-	-6.8	-	-6.8
Dividend 2011 paid in 2012	-	-	-	-	-	-	-44.1	-	-	-	-44.1	-	-44.1
Put options treatment - Movement of the period	-	-	-	-	-	-	-	-	-	-	-	-5.2	-5.2
Other movements	-	-	-	1.8	-	-20.3	8.4	9.3	-5.2	8.0	2.0	-	2.0
Total comprehensive income	-	-	-	-	-	-1.1	192.3	11.2	-2.5	-4.2	195.7	5.4	201.1
At 31 December 2012	160.0	24.4	-22.4	8.8	-	-0.5	1,571.8	-68.9	17.0	-12.9	1,677.3	1.8	1,679.1

Consolidated Statement of Cash Flows

Year ended 31 December

EUR million	Notes	2012	2011
Cash flows from operating activities - Continuing			
Operating profit from continuing operations		284.0	351.5
Depreciation of vehicles for operating lease activities	5	-	62.6
Depreciation of other items	5	91.8	83.0
Amortisation of other intangible assets	5	26.9	24.2
Impairment losses on goodwill and other non-current assets	9	11.6	13.7
Other non-cash items	9	-68.2	4.1
Retirement benefit obligations		-12.8	-25.7
Purchase of vehicles for operating lease activities		-	-183.7
Sale of vehicles for operating lease activities		-	106.4
Change in net working capital		42.5	-106.6
Cash generated from operations		375.8	329.5
Tax paid		-44.8	-40.2
Net cash from operating activities		331.0	289.3
Cash flows from investing activities - Continuing			
Purchase of fixed assets (excl. vehicles)		-123.9	-119.9
Sale of fixed assets (excl. vehicles)		4.6	7.4
Net capital expenditure		-119.3	-112.5
Acquisition of non-controlling interest	9	-	-12.9
Acquisition of subsidiaries (net of cash acquired)	9/12	-38.9	-27.7
Contribution of subsidiary (net of cash disposed of) to joint venture	9/12	19.5	-
Disposal of subsidiaries (net of cash disposed of)	9/41	-	302.3
Investment in held-to-maturity financial assets	25	-211.7	-
Net investment in other financial assets	9/25	79.6	2.5
Net cash from investing activities		-270.8	151.7
Cash flows from financing activities - Continuing			
Net disposal/(acquisition) of treasury shares		-6.8	-
Capital element of finance lease payments		-21.7	-23.7
Net change in other borrowings		2.2	-227.7
Net interest paid		-53.1	-53.5
Dividends paid by Parent	29	-44.1	-23.5
Dividends received from/(paid by) subsidiaries		-	-7.3
Net cash from financing activities		-123.5	-335.7
Cash flows from continuing activities		-63.3	105.3
Cash flows from discontinued operations	41	-	-122.2
TOTAL CASH FLOW FOR THE PERIOD		-63.3	-16.9
Reconciliation with statement of financial position			
Cash at beginning of period	28	111.0	127.8
Cash equivalents at beginning of period	28	139.0	139.4
Cash and cash equivalents at beginning of period	28	250.0	267.2
Total cash flow for the period		-63.3	-16.9
Translation differences		-5.0	-0.2
Cash and cash equivalents at end of period		181.7	250.1
<i>Included within "Cash and cash equivalents"</i>	28	<i>181.7</i>	<i>250.0</i>
<i>Included within "Non-current assets classified as held for sale"</i>	23	<i>-</i>	<i>0.1</i>

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 34 countries serving over 11 million customers.

The Company is listed on Euronext Brussels.

These consolidated financial statements have been approved for issue by the Board of Directors on 26 February 2013.

NOTE 2: ACCOUNTING POLICIES

Note 2.1: Basis of Preparation

These 2012 consolidated financial statements are for the 12 months ended 31 December 2012. 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.

The accounting principle requires credit notes to be recorded in the year to which they relate if there is sufficient probability to get them. Obtaining these credit notes is subject to meeting quantitative and qualitative criteria which are assessed at each closing period. In 2012, follow-up processes and documentation of these credit notes have been improved and the quantification of that probability has been refined to reflect past experience. Consequently, a larger proportion of credit notes has been booked in the year to which they relate. The Board of Directors considers this as a change in accounting estimates as defined in IAS 8.32 and therefore applies it prospectively according to IAS 8.36. For transparency reasons, credit notes accounted for in 2012 and relating to previous accounting periods have been presented in unusual items because of their size and impact.

NOTE 2: ACCOUNTING POLICIES (continued)

Significant transactions

In late 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, throughout the contribution of the Group's operating leases activities and of the Volkswagen Bank Belgium operations. VDFin is operational since early 2012 and is 50% owned (minus one share) by the Group and 50% owned (plus one share) by Volkswagen Financial Services. The contribution of D'leteren Lease s.a. (DIL), the former Group subsidiary active in operating leases, to VDFin occurred in early 2012. The Board of Directors of the Parent then considered that the Group had lost control of DIL and has therefore deconsolidated DIL's assets and liabilities as at 1 January 2012. The contribution of the Group's operating leases activities was accounted for in accordance with IAS 27 resulting in the recognition of the full gain (realised gain on disposal and the unrealised holding gain on the retained interest). See note 12 of this consolidated financial statements for more information.

Following the creation of VDFin, whose financial statements are accounted for using the equity method as from 1 January 2012, and in order to better reflect all the Group's activities and results, the Board of Directors of the Parent has decided to adopt a more appropriate presentation of the consolidated income statement and has decided to include from now on the Group's share in the result of entities accounted for using the equity method in the result before tax. The consolidated income statement for the 12-month period ended 31 December 2011 has been restated accordingly.

Note 2.2: Summary of Significant Accounting Policies

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

The new amendments and interpretations that are mandatory for the first time for the Group's accounting period beginning on 1 January 2012 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 2013 or later periods but which the Group has not early adopted, are:

- Amendment to IAS 1 "Presentation of Financial Statements: Other Comprehensive Income" (effective 1 July 2012);
- Amendment to IAS 19 "Employee Benefits" (effective 1 January 2013);
- Amendment to IAS 27 Revised "Separate Financial Statements" (effective 1 January 2014);
- Amendment to IAS 28 Revised "Investments in Associates and Joint Ventures" (effective 1 January 2014);
- Amendment to IAS 32 "Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities" (effective 1 January 2014);
- Amendment to IFRS 7 "Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities" (effective 1 January 2013);
- IFRS 9 "Financial Instruments" (effective 1 January 2015 – subject to endorsement by the EU);
- IFRS 10 "Consolidated Financial Statements" (effective 1 January 2014);
- IFRS 11 "Joint Arrangements" (effective 1 January 2014);
- IFRS 12 "Disclosure of Interests in Other Entities" (effective 1 January 2014);
- IFRS 13 "Fair Value Measurement" (effective 1 January 2013);
- Annual Improvements issued in May 2012 (effective 1 January 2013 – subject to endorsement by the EU);
- Investment entities (amendments to IFRS 10, 11, 12 and IAS 27, effective 1 January 2014 – subject to endorsement by the EU);
- Transitional guidance (amendments to IFRS 10, 11, 12, effective 1 January 2013 – subject to endorsement by the EU);
- Government loans (amendment to IFRS 1, 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. None of these is expected to have a significant impact on the Group's consolidated financial statements.

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.

NOTE 2: ACCOUNTING POLICIES (continued)

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.

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

NOTE 2: ACCOUNTING POLICIES (continued)

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.

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

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

Intangible Assets

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

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

Intangible assets with a finite useful life are 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 10 years;
- Auto Glass Center Inc and Alliance Claims Solutions brands (IGD acquisition): straight-line method over 3 years (as from 1 October 2009);
- 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.

NOTE 2: ACCOUNTING POLICIES (continued)

Investment Properties

Investment properties are measured at cost less accumulated depreciation and accumulated impairment losses.

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 and subsequently 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. Any cumulative gain or loss recognised in other comprehensive income is transferred to profit or loss when profit or loss is impacted by the hedged item. If the forecast transaction is no longer expected to occur, the cumulative gain or loss is reclassified in the profit or loss immediately.

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

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 tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balance on a net basis.

Unusual Items and Re-measurements

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

- (a) Recognised fair value gains and losses on financial instruments, excluding the accrued cash flows that occur under the Group's hedging arrangements, where hedge accounting is unable to be applied under IAS 39;
- (b) Exchange gains and losses arising upon the translation of foreign currency borrowings at the closing rate;
- (c) Re-measurement of financial liabilities resulting from put options granted to non-controlling interest as from 1 January 2010;
- (d) Impairment of goodwill and other non-current assets;
- (e) Amortisation of intangible assets with finite useful lives recognised in the framework of the allocation of the cost of a business combination as defined by IFRS 3;
- (f) Other unusual items. They are material items that derive from events or transactions that fall within the ordinary activities of the Group, and which individually or, if of a similar type, in aggregate, are separately disclosed by virtue of their size or incidence.

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

NOTE 3: SEGMENT INFORMATION

Note 3.1: Basis of Segmentation

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

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

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

NOTE 3: SEGMENT INFORMATION (continued)

Note 3.2: Segment Income Statement - Operating Segments (Year ended 31 December)

EUR million	Notes	2012				2011 ⁽¹⁾			
		Auto- mobile Distri- bution	Vehicle Glass	Elimi- nations	Group	Auto- mobile Distri- bution	Vehicle Glass	Elimi- nations	Group
External sales	4	2,787.3	2,727.2		5,514.5	3,208.3	2,769.0		5,977.3
Inter-segment sales		3.4	-	-3.4	-	8.5	2.1	-10.6	-
Segment sales		2,790.7	2,727.2	-3.4	5,514.5	3,216.8	2,771.1	-10.6	5,977.3
Operating result (being segment result)	5	132.7	151.3		284.0	116.7	234.8		351.5
<i>of which: current items</i>	5	54.1	198.5		252.6	114.9	262.3		377.2
<i>unusual items and re-measurements</i>	5	78.6	-47.2		31.4	1.8	-27.5		-25.7
Net finance costs	6	-6.6	-39.8		-46.4	-21.6	-32.5		-54.1
Share of result of entities accounted for using the equity method	7	-4.0	-		-4.0	-0.1	-		-0.1
Result before taxes	9	122.1	111.5		233.6	95.0	202.3		297.3
<i>of which: current items</i>	9	50.2	162.3		212.5	92.0	229.9		321.9
<i>unusual items and re-measurements</i>	9	71.9	-50.8		21.1	3.0	-27.6		-24.6
Tax expense	8	-5.5	-30.7		-36.2	2.7	-46.4		-43.7
Result from continuing operations		116.6	80.8		197.4	97.7	155.9		253.6
<i>of which: current items</i>		47.8	121.9		169.7	97.4	175.0		272.4
<i>unusual items and re-measurements</i>		68.8	-41.1		27.7	0.3	-19.1		-18.8
Discontinued operations	41				-				122.4
RESULT FOR THE PERIOD					197.4				376.0

Attributable to :		Auto- mobile Distri- bution	Vehicle Glass	Discon- tinued oper- ations	Group	Auto- mobile Distri- bution	Vehicle Glass	Discon- tinued oper- ations	Group
		Equity holders of the Parent		117.3	75.0	-	192.3	98.3	144.6
<i>of which: current items</i>	9	48.5	113.1	-	161.6	98.0	162.3	51.7	312.0
<i>unusual items and re-measurements</i>		68.8	-38.1	-	30.7	0.3	-17.7	18.0	0.6
Non-controlling interest		-0.7	5.8	-	5.1	-0.6	11.3	52.7	63.4
RESULT FOR THE PERIOD		116.6	80.8	-	197.4	97.7	155.9	122.4	376.0

(1) As restated (see note 2.1).

NOTE 3: SEGMENT INFORMATION (continued)

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

EUR million	Notes	2012			2011		
		Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Goodwill	11	8.8	1,033.3	1,042.1	6.2	1,019.8	1,026.0
Other intangible assets	13	4.4	425.8	430.2	1.8	426.6	428.4
Other property, plant and equipment	15	150.7	305.7	456.4	143.2	293.1	436.3
Investment property	16	5.1	-	5.1	5.6	-	5.6
Equity accounted investments	7	59.4	-	59.4	3.8	-	3.8
Available-for-sale financial assets	17	0.5	-	0.5	0.5	-	0.5
Derivative hedging instruments	18	-	-	-	-	15.7	15.7
Long-term employee benefit assets	20	-	54.9	54.9	-	30.5	30.5
Deferred tax assets	21	-	53.9	53.9	0.1	54.2	54.3
Other receivables	22	20.5	2.3	22.8	0.9	2.1	3.0
Non-current assets		249.4	1,875.9	2,125.3	162.1	1,842.0	2,004.1
Non-current assets classified as held for sale	23	-	-	-	347.7	-	347.7
Inventories	24	313.8	247.7	561.5	370.6	256.3	626.9
Held-to-maturity investments	25	211.7	-	211.7	-	-	-
Derivative hedging instruments	18	-	0.1	0.1	-	1.1	1.1
Derivatives held for trading	19	8.6	0.9	9.5	12.0	0.3	12.3
Other financial assets	25	-	0.5	0.5	-	1.1	1.1
Current tax assets	26	0.1	9.1	9.2	0.1	7.6	7.7
Trade and other receivables	27	114.6	279.2	393.8	145.8	253.6	399.4
Cash and cash equivalents	28	143.0	38.7	181.7	213.5	36.5	250.0
Current assets		791.8	576.2	1,368.0	1,089.7	556.5	1,646.2
TOTAL ASSETS		1,041.2	2,452.1	3,493.3	1,251.8	2,398.5	3,650.3
Capital and reserves attributable to equity holders		1,677.3	-	1,677.3	1,530.5	-	1,530.5
Non-controlling interest		-0.2	2.0	1.8	0.5	1.1	1.6
Equity		1,677.1	2.0	1,679.1	1,531.0	1.1	1,532.1
Long-term employee benefit obligations	20	7.3	50.7	58.0	5.4	53.7	59.1
Other provisions	30	25.0	0.6	25.6	31.8	36.8	68.6
Borrowings	31/32	251.4	549.8	801.2	251.3	536.9	788.2
Derivatives held for trading	19	-	6.9	6.9	-	1.1	1.1
Put options granted to non-controlling shareholders	33	134.1	-	134.1	154.0	-	154.0
Other payables	34	-	15.1	15.1	-	7.7	7.7
Deferred tax liabilities	21	20.5	22.3	42.8	16.3	29.3	45.6
Non-current liabilities		438.3	645.4	1,083.7	458.8	665.5	1,124.3
Liabilities associated with non-current assets held for sale	23	-	-	-	333.2	-	333.2
Provisions	30	-	6.5	6.5	-	8.9	8.9
Derivative hedging instruments	18	-	0.1	0.1	-	-	-
Borrowings	31/32	2.1	107.1	109.2	12.0	41.1	53.1
Inter-segment loan	31	-130.0	130.0	-	-240.0	240.0	-
Derivatives held for trading	19	-	2.1	2.1	7.2	0.4	7.6
Current tax liabilities	26	0.3	22.5	22.8	0.2	33.2	33.4
Trade and other payables	35	156.1	433.7	589.8	189.7	368.0	557.7
Current liabilities		28.5	702.0	730.5	302.3	691.6	993.9
TOTAL EQUITY AND LIABILITIES		2,143.9	1,349.4	3,493.3	2,292.1	1,358.2	3,650.3

NOTE 3: SEGMENT INFORMATION (continued)

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

EUR million	Notes	2012			2011			
		Autom. Distrib.	Vehicle Glass	Group	Autom. Distrib.	Vehicle Glass	Group	
Cash flows from operating activities - Continuing								
Operating profit from continuing operations		132.7	151.3	284.0	116.7	234.8	351.5	
Depreciation of vehicles for operating lease activities	5	-	-	-	62.6	-	62.6	
Depreciation of other items	5	12.3	79.5	91.8	12.0	71.0	83.0	
Amortisation of other intangible assets	5	-	26.9	26.9	0.8	23.4	24.2	
Impairment losses on goodwill and other non-current assets	9	-	11.6	11.6	-	13.7	13.7	
Other non-cash items	9	-41.4	-26.8	-68.2	2.0	2.1	4.1	
Retirement benefit obligations		0.7	-13.5	-12.8	-0.3	-25.4	-25.7	
Purchase of vehicles for operating lease activities		-	-	-	-183.7	-	-183.7	
Sale of vehicles for operating lease activities		-	-	-	106.4	-	106.4	
Change in net working capital		19.9	22.6	42.5	-53.0	-53.6	-106.6	
Cash generated from operations		124.2	251.6	375.8	63.5	266.0	329.5	
Tax paid		-0.7	-44.1	-44.8	-2.5	-37.7	-40.2	
Net cash from operating activities		123.5	207.5	331.0	61.0	228.3	289.3	
Cash flows from investing activities - Continuing								
Purchase of fixed assets (excl. vehicles)		-22.9	-101.0	-123.9	-16.9	-103.0	-119.9	
Sale of fixed assets (excl. vehicles)		0.7	3.9	4.6	2.9	4.5	7.4	
Net capital expenditure		-22.2	-97.1	-119.3	-14.0	-98.5	-112.5	
Acquisition (-)/Disposal (+) of non-controlling interest	9	-	-	-	-13.1	0.2	-12.9	
Acquisition of subsidiaries (net of cash acquired)	9/12	-1.8	-37.1	-38.9	-3.3	-24.4	-27.7	
Contribution of subsidiary (net of cash disposed of) to joint venture	9/12	19.5	-	19.5	-	-	-	
Disposal of subsidiaries (net of cash disposed of)	9/41	-	-	-	302.3	-	302.3	
Investment in held-to-maturity financial assets	25	-211.7	-	-211.7	-	-	-	
Net investment in other financial assets	9/25	79.9	-0.3	79.6	1.2	1.3	2.5	
Net cash from investing activities		-136.3	-134.5	-270.8	273.1	-121.4	151.7	
Cash flows from financing activities - Continuing								
Net disposal/(acquisition) of treasury shares		-6.8	-	-6.8	-	-	-	
Capital element of finance lease payments		-	-21.7	-21.7	-	-23.7	-23.7	
Net change in other borrowings		-98.9	101.1	2.2	-36.3	-191.4	-227.7	
Inter-segment loan	31	110.0	-110.0	-	-240.0	240.0	-	
Net interest paid		-17.9	-35.2	-53.1	-25.0	-28.5	-53.5	
Dividends paid by Parent	29	-44.1	-	-44.1	-23.5	-	-23.5	
Dividends received from/(paid by) subsidiaries		-	-	-	92.7	-100.0	-7.3	
Net cash from financing activities		-57.7	-65.8	-123.5	-232.1	-103.6	-335.7	
Cash flows from continuing operations		-70.5	7.2	-63.3	102.0	3.3	105.3	
Cash flows from discontinued operations	41			-			-122.2	
TOTAL CASH FLOW FOR THE PERIOD				-63.3			-16.9	
		Autom. Distrib.	Vehicle Glass	Group	Autom. Distrib.	Vehicle Glass	Discont. Operat.	Group
Reconciliation with statement of financial position								
Cash at beginning of period	28	74.5	36.5	111.0	2.1	33.4	92.3	127.8
Cash equivalents at beginning of period	28	139.0	-	139.0	-	-	139.4	139.4
Cash and cash equivalents at beginning of period	28	213.5	36.5	250.0	2.1	33.4	231.7	267.2
Total cash flow for the period				-63.3				-16.9
Translation differences				-5.0				-0.2
Cash and cash equivalents at end of period				181.7				250.1
<i>Of which "Cash and cash equivalents - Autom. Distribution"</i>	28			143.0				213.5
<i>Of which "Cash and cash equivalents - Vehicle Glass"</i>	28			38.7				36.5
<i>Of which "Cash classified as held for sale - Autom. Distribution"</i>	23			-				0.1

NOTE 3: SEGMENT INFORMATION (continued)

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

EUR million	2012			2011		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Capital additions ⁽¹⁾	25.5	176.3	201.8	205.3	147.1	352.4

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

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

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

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

EUR million	2012				2011			
	Belgium	Rest of Europe	Rest of world	Group	Belgium	Rest of Europe	Rest of world	Group
Segment sales from external customers ⁽¹⁾	2,679.7	1,507.5	1,327.3	5,514.5	3,098.0	1,609.2	1,270.1	5,977.3
Non-current assets ⁽²⁾	203.4	1,155.3	597.9	1,956.6	171.2	1,164.9	563.2	1,899.3
Capital additions ⁽³⁾	31.4	39.6	130.8	201.8	211.9	49.7	90.8	352.4

(1) Based on the geographical location of the customers.

(2) Non-current assets, as defined by IFRS 8, consists of goodwill, other intangible assets, vehicles, other property, plant and equipment, investment property and non-current other receivables.

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

NOTE 4: SALES

EUR million	2012	2011
New vehicles	2,457.7	2,649.8
Used cars	33.6	115.3
Spare parts and accessories	173.8	178.0
After-sales activities by D'Ieteren Car Centers	63.8	57.4
D'Ieteren Sport	28.1	32.3
D'Ieteren Lease ⁽¹⁾	-	146.6
Rental income under buy-back agreements	6.3	4.5
Other sales	24.0	24.4
Subtotal Automobile Distribution	2,787.3	3,208.3
Vehicle Glass	2,727.2	2,769.0
SALES (EXTERNAL)	5,514.5	5,977.3
<i>of which: sales of goods</i>	<i>2,876.7</i>	<i>3,158.1</i>
<i>rendering of services</i>	<i>2,637.3</i>	<i>2,818.4</i>
<i>royalties</i>	<i>0.5</i>	<i>0.8</i>

(1) Nihil in 2012 due to the contribution in early 2012 of the Group's operating leases activities to Volkswagen D'Ieteren Finance, a 50% owned (minus one share) joint venture – See note 2.1 for more information.

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	2012			2011		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Current items:						
Purchases and changes in inventories	-2,417.0	-656.5	-3,073.5	-2,700.8	-660.5	-3,361.3
Depreciation of vehicles	-	-	-	-64.4	-	-64.4
Depreciation of other items (excl. investment property)	-11.9	-79.5	-91.4	-11.6	-71.0	-82.6
Amortisation (excl. re-measurements - see note 9)	-	-17.1	-17.1	-0.8	-13.8	-14.6
Other operating lease rentals ⁽¹⁾	-	-155.5	-155.5	-	-142.9	-142.9
Write-down on inventories	-2.7	-0.9	-3.6	-1.2	0.3	-0.9
Net gain (loss) on vehicles	-	-	-	4.8	-	4.8
Employee benefit expenses (see note 36)	-136.7	-1,002.8	-1,139.5	-142.0	-998.9	-1,140.9
Research and development expenditure	-	-0.9	-0.9	-	-1.2	-1.2
Sundry	-160.4	-616.6	-777.0	-177.9	-622.1	-800.0
Other operating expenses:						
Bad and doubtful debts	-4.6	1.3	-3.3	-	3.0	3.0
Investment property expenses:						
Depreciation	-0.4	-	-0.4	-0.5	-	-0.5
Operating expenses ⁽²⁾	-0.1	-	-0.1	-0.1	-	-0.1
Sundry	-0.9	-0.2	-1.1	-0.1	-0.6	-0.7
Subtotal other operating expenses	-6.0	1.1	-4.9	-0.7	2.4	1.7
Other operating income:						
Gain on property, plant and equipment	0.1	-	0.1	0.1	1.0	1.1
Rental income from investment property ⁽³⁾	0.9	-	0.9	0.6	-	0.6
Sundry	0.5	-	0.5	0.5	-	0.5
Subtotal other operating income	1.5	-	1.5	1.2	1.0	2.2
Subtotal current items	-2,733.2	-2,528.7	-5,261.9	-3,093.4	-2,506.7	-5,600.1
Unusual items and re-measurements (see note 9)	78.6	-47.2	31.4	1.8	-27.5	-25.7
NET OPERATING EXPENSES	-2,654.6	-2,575.9	-5,230.5	-3,091.6	-2,534.2	-5,625.8

(1) Primarily hire of vehicles and other plant and equipment in relation with the business activity.

(2) The full amount is related to investment property that generated rental income.

(3) Does not include any contingent rent.

NOTE 6: NET FINANCE COSTS

Net finance costs are broken down as follows:

EUR million	2012			2011		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Current items:						
Finance costs:						
<i>Interest expense</i>	-13.1	-37.6	-50.7	-23.5	-35.2	-58.7
<i>Transfer from re-measurements</i>	2.6	-0.7	1.9	-0.9	1.4	0.5
Current interest expense	-10.5	-38.3	-48.8	-24.4	-33.8	-58.2
Other financial charges	-1.4	-	-1.4	-0.3	-	-0.3
Subtotal finance costs	-11.9	-38.3	-50.2	-24.7	-33.8	-58.5
Finance income	3.7	2.1	5.8	1.9	1.4	3.3
Current net finance costs	-8.2	-36.2	-44.4	-22.8	-32.4	-55.2
Unusual items and re-measurements (see note 9):						
Unusual items	-0.2	-	-0.2	-	-	-
Re-measurements of put options granted to non-controlling interest	2.8	-	2.8	-0.6	-	-0.6
Re-measurements of financial instruments:						
<i>Gains (Losses) on "dirty" fair value of derivatives ⁽¹⁾</i>	1.6	-4.3	-2.7	0.9	1.3	2.2
<i>Transfer to current items</i>	-2.6	0.7	-1.9	0.9	-1.4	-0.5
Subtotal gains (losses) on "clean" fair value of derivatives ⁽¹⁾	-1.0	-3.6	-4.6	1.8	-0.1	1.7
Unusual items and re-measurements	1.6	-3.6	-2.0	1.2	-0.1	1.1
NET FINANCE COSTS	-6.6	-39.8	-46.4	-21.6	-32.5	-54.1

(1) 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 2012, two group entities are accounted for using the equity method.

The Parent and Volkswagen Financial Services (a subsidiary of the Volkswagen group) have set up in late 2011 Volkswagen D'leteren Finance (VDFin), a joint venture owned 50% minus one share by the Group and 50% plus one share by Volkswagen Financial Services. This joint venture is operational since early 2012 with the contribution of D'leteren Lease s.a. (DIL), the former Group subsidiary active in operating leases (see note 12), and of the Volkswagen Bank Belgium operations. The results of VDFin and DIL are accounted for using the equity method as from 1 January 2012.

The Automobile Distribution's interest in this joint venture comprised:

EUR million	2012	2011
Share of non-current assets (incl. goodwill)	364.9	-
Share of current assets	99.8	0.1
Share of non-current liabilities	-152.0	-
Share of current liabilities	-257.6	-
Share of net assets	55.1	0.1
Share of sales	124.5	-
Share of profit (loss)	-4.5	-
<i>of which: Current items</i>	3.8	-
<i>Unusual items and re-measurements</i>	-8.3	-

In the framework of the contribution of DIL to VDFin and in accordance with IFRS 3 "Business Combinations", customer contracts were recognised as an intangible asset with a finite useful life. The share of the Group in the amortisation after tax amounted to EUR 8.0 million and in accordance with the Group's accounting policies is accounted for in the Group's consolidated financial statements as a re-measurement.

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

Share of net assets represents the share of the Group in the equity of VDFin as at 31 December 2012. At inception in early 2012, the total equity of VDFin (EUR 119.2 million) was made of the contribution of D'leteren Lease s.a. (DIL), the former Group subsidiary active in operating leases, and of the contribution in cash made by Volkswagen Financial Services, a subsidiary of the Volkswagen group. The contribution of DIL (EUR 79.1 million) was valued by an independent valuation expert based on a net discounted cash-flow based approach which took into account the existing lease contracts at the date of contribution.

As from June 2012, new finance lease services to customers of the Automobile Distribution segment are provided by the joint venture VDFin. Services related to previous finance lease contracts are still provided by D'leteren Vehicle Trading s.a., a 49%-owned associate. In 2011, the Automobile Distribution segment also comprised a 33% interest in the company S.M.A.R.T & Clean Automotive Services S.A. (Wondercar) and in its subsidiary Riankar, both active in smart repairs on vehicles. In July 2012, the Parent acquired the remaining 67% of Wondercar, and its subsidiary Riankar was immediately disposed of. Wondercar is fully consolidated as from July 2012.

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

EUR million	2012	2011
Share of gross assets (incl. goodwill)	40.4	45.5
Share of gross liabilities	-36.1	-41.8
Share of net assets	4.3	3.7
Share of sales	13.6	13.8
Share of profit (loss)	0.5	-0.1

NOTE 8: TAX EXPENSE

Tax expense is broken down as follows:

EUR million	2012			2011		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Current year income tax	-0.7	-44.3	-45.0	-1.9	-31.5	-33.4
Prior year income tax	-	3.9	3.9	-	0.9	0.9
Movement in deferred taxes	-4.8	9.7	4.9	4.6	-15.8	-11.2
Tax expense	-5.5	-30.7	-36.2	2.7	-46.4	-43.7
<i>of which: current items</i>	<i>-2.4</i>	<i>-40.4</i>	<i>-42.8</i>	<i>5.4</i>	<i>-54.9</i>	<i>-49.5</i>
<i>unusual items and re-measurements (see note 9)</i>	<i>-3.1</i>	<i>9.7</i>	<i>6.6</i>	<i>-2.7</i>	<i>8.5</i>	<i>5.8</i>

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

EUR million	2012			2011 ⁽¹⁾		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Result before taxes	122.1	111.5	233.6	95.0	202.3	297.3
Tax at the Belgian corporation tax rate of 33.99%	-41.5	-37.9	-79.4	-32.3	-68.8	-101.1
Reconciling items (sum of items marked (a) and (b) below)	36.0	7.2	43.2	35.0	22.4	57.4
Actual tax on result before taxes	-5.5	-30.7	-36.2	2.7	-46.4	-43.7

(1) As restated (see note 2.1).

NOTE 8: TAX EXPENSE (continued)

The reconciling items are provided below:

EUR million	2012			2011 ⁽¹⁾		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Current PBT	50.2	162.3	212.5	92.0	229.9	321.9
Tax at the Belgian corporation tax rate of 33.99%	-17.1	-55.2	-72.3	-31.3	-78.1	-109.4
Rate differential (a)	-	1.9	1.9	-	-2.2	-2.2
Permanent differences (a)	17.6	17.9	35.5	21.1	30.8	51.9
Utilisation of tax losses (a)	1.4	-	1.4	14.2	0.3	14.5
Adjustments in respect of prior years (a)	-	-	-	6.1	-0.7	5.4
Deferred tax assets not recognised (a)	-4.9	-5.0	-9.9	-3.5	-5.0	-8.5
Recognition of previously unrecognised deferred tax assets (a)	-0.9	-	-0.9	1.5	-	1.5
Impact of dividends (a)	-	-	-	-2.2	-	-2.2
Joint venture and associate (a)	1.5	-	1.5	-	-	-
Other (a)	-	-	-	-0.5	-	-0.5
Actual tax on current PBT	-2.4	-40.4	-42.8	5.4	-54.9	-49.5
<i>Actual tax rate on current PBT</i>	<i>5%</i>	<i>25%</i>	<i>20%</i>	<i>-6%</i>	<i>24%</i>	<i>15%</i>
Unusual items and re-measurements in PBT	71.9	-50.8	21.1	3.0	-27.6	-24.6
Tax at the Belgian corporation tax rate of 33.99%	-24.4	17.3	-7.1	-1.0	9.4	8.4
Rate differential (b)	-	-3.7	-3.7	-	-0.9	-0.9
Permanent differences (b)	-	-1.3	-1.3	-	-	-
Utilisation of tax losses (b)	11.7	-	11.7	-	-	-
Deferred tax assets not recognised (b)	-1.1	-2.5	-3.6	-1.7	-	-1.7
Non taxable net gain on shares (b)	13.2	-	13.2	-	-	-
Joint venture and associate (b)	-2.8	-	-2.8	-	-	-
Other (b)	0.3	-0.1	0.2	-	-	-
Actual tax on unusual items and re-measurements in PBT	-3.1	9.7	6.6	-2.7	8.5	5.8

(1) As restated (see note 2.1).

NOTE 9: 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:

- 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;
- Exchange gains and losses arising upon the translation of foreign currency borrowings at the closing rate;
- Re-measurement of financial liabilities resulting from put options granted to non-controlling interest as from 1 January 2010;
- Impairment of goodwill and other non-current assets;
- Amortisation of intangible assets with finite useful lives recognised in the framework of the allocation of the cost of a business combination as defined by IFRS 3;
- Other unusual items. They are material items that derive from events or transactions that fall within the ordinary activities of the Group, and which individually or, if of a similar type, in aggregate, are separately disclosed by virtue of their size or incidence.

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

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

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

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.

Following the creation of VDFin (whose results are accounted for using the equity method – see note 2.1), and in order to better reflect all the Group's activities, the current PBT Group's share includes from now on the group's share in the current result before tax of the entities accounted for using the equity method.

In 2012 and 2011, the unusual items and re-measurements comprised:

EUR million	2012			2011		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Unusual items and re-measurements						
Included in operating result	78.6	-47.2	31.4	1.8	-27.5	-25.7
<i>Re-measurements of financial instruments</i>	-	0.5 (f)	0.5	-	-1.7 (f)	-1.7
<i>Amortisation of customer contracts</i>	-	-7.4 (g)	-7.4	-	-6.3 (g)	-6.3
<i>Amortisation of brands with finite useful life</i>	-	-2.4 (h)	-2.4	-	-3.3 (h)	-3.3
<i>Impairment of goodwill and of non-current assets</i>	-	-11.6 (i)	-11.6	-	-13.7 (i)	-13.7
<i>Net gain on disposal/contribution of subsidiaries</i>	38.7 (a)	-	38.7	-	-	-
<i>Other unusual items</i>	39.9 (b)	-26.3 (j)	13.6	1.8 (b)	-2.5 (j)	-0.7
Included in net finance costs	1.6	-3.6	-2.0	1.2	-0.1	1.1
<i>Re-measurements of financial instruments</i>	-1.0 (c)	-3.6 (f)	-4.6	1.8 (c)	-0.1 (f)	1.7
<i>Re-measurement of put options granted to non-controlling interest</i>	2.8 (d)	-	2.8	-0.6 (d)	-	-0.6
<i>Other unusual items</i>	-0.2	-	-0.2	-	-	-
Included in equity accounted result	-8.3 (e)	-	-8.3	-	-	-
Included in result before taxes (PBT)	71.9	-50.8	21.1	3.0	-27.6	-24.6
<i>of which Unusual items (as defined in note 2)</i>	<i>78.4</i>	<i>-26.3</i>	<i>52.1</i>	<i>1.8</i>	<i>-2.5</i>	<i>-0.7</i>
<i>Re-measurements (as defined in note 2)</i>	<i>-6.5</i>	<i>-24.5</i>	<i>-31.0</i>	<i>1.2</i>	<i>-25.1</i>	<i>-23.9</i>

Automobile Distribution

- The contribution in early 2012 of the Group's operating leases activities to Volkswagen D'leteren Finance was accounted for in accordance with IAS 27 resulting in the recognition in operating result of a consolidated gain of EUR 39.1 million (see notes 2.1 and 12 for more information). Operating result also include a consolidated loss of EUR 0.4 million recognised following the disposal of Riankar (former associate acquired in July 2012 and immediately disposed of – see note 7).
- In 2012, cost of sales includes unusual income of EUR 34.3 million and of EUR 5.6 million in relation respectively with the change in accounting estimates of certain credit notes to be received (see note 2.1 for more information) and with the contribution of D'leteren Lease to Volkswagen D'leteren Finance. In 2011, cost of sales included an unusual adjustment on depreciation of vehicles (D'leteren Lease's fleet) of EUR 1.8 million.
- Net finance costs include re-measurements of financial instruments amounting to EUR -1.0 million (2011: EUR 1.8 million) arising from changes in the "clean" fair value of derivatives.
- 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 2.8 million (2011: EUR -0.6 million). See note 33 of these Consolidated Financial Statements for more information.
- In 2012, the share of the Group in the unusuals items and re-measurements after tax of entities accounted for using the equity method amounts to EUR -8.3 million and is related to the re-measurement of financial instruments arising from changes in the "clean" fair value of derivatives and to the amortisation of an intangible asset with a finite useful life (customer contracts recognised in the framework of the contribution of D'leteren Lease's operating leases activities to Volkswagen D'leteren Finance – see note 7).

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

Vehicle Glass

- (f) Cost of sales and net finance costs include re-measurements of financial instruments amounting respectively to EUR 0.5 million (2011: EUR -1.7 million) and to EUR -3.6 million (2011: EUR -0.1 million) arising from changes in the “clean” fair value of derivatives.
- (g) In the framework of recent acquisitions, customer contracts were recognised as intangible assets with a finite useful life. The 2012 amortisation (in commercial and administrative expenses) amounted to EUR 7.4 million (2011: EUR 6.3 million).
- (h) Commercial and administrative expenses include the amortisation of brands with finite useful lives amounting to EUR 2.4 million (2011: EUR 3.3 million).
- (i) In 2012, commercial and administrative expenses and other operating expenses comprise impairment of certain intangible IT software (EUR 7.0 million) following restructuring in the corporate centre and an impairment charge of EUR 4.6 million on the Greek cash-generating unit following the annual impairment test performed on every cash-generating unit (see note 11). From the impairment charge on Greece EUR 4.2 million relates to the full impairment of goodwill. In 2011, commercial and administrative expenses comprised impairment of certain intangible IT assets (EUR 13.7 million) following a change in strategy to leverage new technology.
- (j) Other unusual items (in commercial and administrative expenses and other operating expenses) relate to the Canadian acquisition programme, restructuring costs in the United Kingdom and Netherlands business units and at the corporate centre. In 2011, other unusual items comprise IT 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).

EUR million	2012			2011 ⁽¹⁾		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
From reported PBT to current PBT, Group's share:						
Reported PBT	122.1	111.5	233.6	95.0	202.3	297.3
Less: Unusual items and re-measurements in PBT	-71.9	50.8	-21.1	-3.0	27.6	24.6
Current PBT	50.2	162.3	212.5	92.0	229.9	321.9
Less: Share of the group in tax on current result of equity accounted entities	1.6	-	1.6	-	-	-
Share of non-controlling interest in current PBT	0.7	-11.8	-11.1	0.6	-16.8	-16.2
Current PBT, Group's share	52.5	150.5	203.0	92.6	213.1	305.7
From current PBT, Group's share, to current PAT, Group's share:						
Current PBT, Group's share	52.5	150.5	203.0	92.6	213.1	305.7
Share of the group in tax on current result of equity accounted entities	-1.6	-	-1.6	-	-	-
Current tax	-2.4	-37.4	-39.8	5.4	-50.8	-45.4
Current PAT, Group's share	48.5	113.1	161.6	98.0	162.3	260.3
From current PAT, Group's share, to current result for the period attributable to equity holders of the Parent:						
Current PAT, Group's share	48.5	113.1	161.6	98.0	162.3	260.3
Share of the group in current discontinued operations	41		-			51.7
Current result for the period attributable to equity holders of the Parent			161.6			312.0

(1) As restated (see note 2.1).

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

Comments related to the cash flow statement

In 2012, in the Automobile Distribution segment, the line "Other non-cash items" included, among other amounts, the non-cash consolidated gain on contribution of all the D'leteren Lease s.a. shares to Volkswagen D'leteren Finance (see notes 9 and 12).

In 2012, in the Vehicle Glass segment, the line "Other non-cash items" included, among other amounts, the full reversal of the provision previously set-up for the long-term management incentive scheme.

In 2011, 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.

The line "Acquisition of subsidiaries" for the year ended 31 December 2012 included, among other transactions, the business combinations disclosed in note 12.

In 2012, the line "Contribution of subsidiary to joint venture" included the net cash inflow arising from the creation of the joint venture Volkswagen D'leteren Finance (VDFin) and the contribution to VDFin of all the D'leteren Lease s.a. shares.

In 2011, 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 2012, the line "Net investment in other financial assets" mainly included the cash inflow related to the reimbursement in early 2012 of the intra-segment subordinated loan (EUR 89 million) 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.

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. Such shares constitute the only category of potentially dilutive ordinary shares.

The options over ordinary shares of the Parent increased the weighted average number of shares of the Parent in 2011 and 2012 as some option exercise prices were below the market share price. These options are dilutive.

NOTE 10: EARNINGS PER SHARE (continued)

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

		2012	2011
Result for the period attributable to equity holders		192.3	312.6
Adjustment for participating shares		-2.2	-3.5
Numerator for EPS (EUR million)	(a)	190.1	309.1
Current result for the period attributable to equity holders		161.6	312.0
Adjustment for participating shares		-1.8	-3.6
Numerator for current EPS (EUR million)	(b)	159.8	308.4
Result from continuing operations		197.4	253.6
Share of non-controlling interest in result from continuing operations		-5.1	-10.7
Result from continuing operations attributable to equity holders		192.3	242.9
Adjustment for participating shares		-2.2	-2.8
Numerator for continuing EPS (EUR million)	(c)	190.1	240.1
Current result from continuing operations		169.7	272.4
Share of non-controlling interest in current result from continuing operations		-8.1	-12.1
Current result from continuing operations attributable to equity holders ("Current PAT, Group's share" as defined in note 9)		161.6	260.3
Adjustment for participating shares		-1.8	-3.0
Numerator for current continuing EPS (EUR million)	(d)	159.8	257.3
Weighted average number of ordinary shares outstanding during the period	(e)	54,450,508	54,581,442
Adjustment for stock option plans		217,359	339,500
Weighted average number of ordinary shares taken into account for diluted EPS	(f)	54,667,867	54,920,942
Result for the period attributable to equity holders			
Basic EPS (EUR)	(a)/(e)	3.49	5.66
Diluted EPS (EUR)	(a)/(f)	3.48	5.63
Basic current EPS (EUR)	(b)/(e)	2.93	5.65
Diluted current EPS (EUR)	(b)/(f)	2.92	5.62
Result from continuing operations attributable to equity holders			
Basic continuing EPS (EUR)	(c)/(e)	3.49	4.40
Diluted continuing EPS (EUR)	(c)/(f)	3.48	4.37
Basic current continuing EPS (EUR)	(d)/(e)	2.93	4.71
Diluted current continuing EPS (EUR)	(d)/(f)	2.92	4.68

NOTE 11: GOODWILL

EUR million	2012	2011
Carrying amount at 1 January	1,026.0	1,004.6
Additions	45.7	21.7
Increase/(Decrease) arising from put options granted to non-controlling shareholders (see note 33)	-22.3	1.6
Impairment losses	-4.2	-
Adjustments	1.2	0.6
Scope exit	-	-0.9
Translation differences	-4.3	-1.6
Carrying amount at 31 December	1,042.1	1,026.0

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

The decrease arising from put options comprises the movement of goodwill recognised at year end to reflect the change in the exercise price of the remaining options granted to non-controlling shareholders and the carrying value of non-controlling interest to which they relate (see note 33). The adjustments result from subsequent changes in the fair value of the net assets in relation to the acquisitions performed in 2011 by the Vehicle Glass segment.

In 2011, the scope exit was related to the de-consolidation of Avis Europe plc following its disposal in October 2011.

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	2012	2011
Automobile Distribution	8.8	6.2
Vehicle Glass		
United Kingdom	97.3	97.2
France	70.7	70.7
Italy	59.7	54.2
Germany	47.8	47.8
Canada	66.9	51.3
Holland	29.1	29.1
Belgium	27.1	27.1
Australia	27.3	27.3
United States	133.0	124.3
Spain	22.2	19.7
Norway	7.5	7.0
New Zealand	6.4	6.4
Greece	-	3.8
Sweden	5.3	4.9
Switzerland	2.1	2.1
Portugal	1.2	1.2
Denmark	5.2	5.2
Brazil	21.8	24.6
China	7.5	4.7
Russia	8.3	8.5
Turkey	4.8	4.8
Austria	0.3	-
Ireland	0.1	0.1
Hungary	0.5	-
Autorestore	5.7	-
Unallocated	375.5	397.8
Subtotal Vehicle Glass	1,033.3	1,019.8
GROUP	1,042.1	1,026.0

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 11: GOODWILL (continued)

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

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 was carried out to ensure that the carrying value of the Group's assets are stated at no more than their recoverable amount, being the higher of fair value less costs to sell and value in use.

The Vehicle Glass segment completed this review for each of its cash-generating units (being the different countries in which it operates). In 2012, this review has led to a goodwill impairment charge of EUR 4.2 million in relation to the Greek cash-generating unit. In addition, a further EUR 0.4 million was written down in Greek tangible fixed assets (see note 15). This impairment charge was primarily driven by lower cash flows reflecting the exceptionally challenging economic conditions in the country and the associated impact on the country's risk element in the discount rate. The recoverable amount of Greek assets (post impairment) is viewed as being equal to the value in use. The impairment charge is presented as a re-measurement in the operating result (see note 9).

In determining the value in use of each cash-generating unit, the Vehicle Glass segment calculated the present value of the estimated future cash flows expected to arise from the continuing use of the assets using a specific pre-tax discount rate reflecting the risk profile of the identified cash-generating unit. This pre-tax discount rate is based upon the weighted average costs of capital of each cash-generating unit with appropriate adjustment for the relevant risks associated with the businesses and with the underlying country ("country risk premium"). Estimated future cash flows are based on projected long-term plans approved for each cash-generating unit, with extrapolation thereafter (terminal value) based on a long-term average growth rate. This growth rate is set at 2% (2011: 2%) for all the cash-generating units. The projected long-term plans cover a five-year period, except for China, Russia and Turkey where a period of up to fifteen years was used due to the very recent entry of the Vehicle Glass segment in these countries and their high growth potential. Together, these countries represent a total goodwill of EUR 20.6 million, not significant at Group level.

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

	Pre-tax discount rate
United Kingdom	9.2%
France	10.5%
Italy	11.0%
Germany	10.1%
Canada	9.5%
Holland	8.9%
Belgium	10.4%
Australia	12.0%
United States	11.0%
Spain	11.6%
Brazil	21.6%
Greece	15.8%
Others	from 7.5% to 15.2%

In 2011, the pre-tax discount rate applied to all the cash-generating units was 9.1%.

The Board of Directors of the Parent also reviewed the carrying amount of its investment in Belron. In determining the value in use, the Parent calculated the present value of the estimated future cash flows expected to arise, based on Belron's latest five years plan reviewed by the Board of Directors, with extrapolation thereafter (terminal growth rate of 2%). The discount rate applied (pre-tax rate of 9.1%) is based upon the weighted average cost of capital of the Vehicle Glass segment. The Board of Directors of the Parent is satisfied that the carrying amount of the Vehicle Glass cash-generating unit is stated at no more than its value in use.

Key assumptions of the financial projections in supporting the value of goodwill and intangible assets with indefinite useful lives include revenue growth rates, operating margins, long-term growth rates and market share. A set of financial projections were prepared for each cash-generating unit, starting with the budget numbers for 2013. For 2014 and following, an assumption of no market growth or decline has been made in the developed markets and of continued market growth in emerging markets. An assumption of continued market share growth has been made for United States, Germany and Canada, with no significant market share growth or declines in other major developed markets. An assumption of stable or increasing margins has been made in line with the sales growth assumptions. The assumptions on sales growth are lower than historical long-term trends and reflect the expected continuing challenging market conditions associated with the broader economic environment.

NOTE 11: GOODWILL (continued)

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 comfortably absorb a normal variation in the underlying assumptions, except in Spain and Portugal where headroom is tighter.

Additional impairment charge group share in EUR million	Spain	Portugal	Greece	Total
Decrease in margins of 50 basis points	2.4	0.2	0.5	3.1
Increase in the discount rate of one percentage point	3.0	0.2	0.3	3.5
Decrease in the long-term growth rate of one percentage point	1.9	-	0.3	2.2

The below table shows for Spain and Portugal the amount by which each key assumption must change in isolation in order for the estimated recoverable amount to be equal to the carrying value:

	Spain	Portugal
Decrease in margins	0.3%	0.8%
Increase in the discount rate	10bp	25bp
Decrease in the long-term growth rate	0.2%	0.6%

NOTE 12: BUSINESS COMBINATIONS AND DISPOSAL OF SUBSIDIARY

Business combinations

During the period, the Group made the following acquisitions:

- On 1 January 2012, Belron acquired the assets of Guangzhou Chenyu Vehicle Glass Co. Ltd, a fitting business in China.
- On 16 February 2012, Belron acquired the assets of Euskalglass, a fitting business in Spain.
- On 16 February 2012, Belron acquired the assets of Guardian Lleida, a fitting business in Spain.
- On 1 March 2012, Belron acquired the assets of Vetri Auto Biella, a fitting business in Italy.
- On 1 March 2012, Belron acquired the assets of Wuhan Sanxing Chutian Glass Distribution Co. Ltd, a fitting business in China.
- On 1 May 2012, Belron acquired the assets of Changsha Fuyao Vehicle Glass Distribution Co. Ltd Hengyang Yaohua sub branch, a fitting business with one branch in China.
- On 6 June 2012, Belron acquired the assets of Spiridon Hatzinikolaou, a fitting business in Greece.
- On 1 July 2012, Belron acquired the assets of Joe Kleber Autoglas, a fitting business in Austria.
- In July 2012, the Parent acquired the remaining 67% of its associate S.M.A.R.T & Clean Automotive Services S.A. (Wondercar), active in smart repairs on vehicles.
- On 1 October 2012, Belron acquired the assets of Col Mar srl, a fitting business in Italy.
- On 31 October 2012, Belron acquired the assets of Bergen Bilglass AS, a fitting business in Norway.
- On 1 November 2012, Belron acquired the assets of Vetri Auto Piemonte, a fitting business in Italy.
- On 1 November 2012, Belron acquired the assets of Mälarglas AB, a fitting business in Sweden.
- On 1 November 2012, Belron acquired the assets of Klein Dickert Co., a fitting business in the United States.
- On 23 November 2012, Belron acquired the assets of ADR Accident Repair Centre Ltd, a vehicle damage repair business in the United Kingdom.
- On 12 December 2012, Belron acquired the assets of Manolopoulos & Co EE, a fitting business in Greece.
- On 31 December 2012, Belron acquired the assets of Y. W. P., Inc (DBA Windshield World), a fitting business in the United States.
- On 31 December 2012, Belron acquired the assets of Giant Glass Company Inc, a fitting business in the United States.
- On 31 December 2012, Belron acquired the assets of Southern Glass and Plastics Company Inc, a fitting business in the United States.
- During the period, Belron acquired 23 branches in Canada. These were all independently owned former Apple® or Duro® brand franchisees.

The additional sales arising subsequent to these acquisitions amount approximately to EUR 19 million (approximately EUR 66 million if they had occurred on the first day of the period). The results arising subsequent to these acquisitions (even if they had occurred on the first day of the period) are not considered material to the Group and accordingly are not disclosed separately.

NOTE 12: BUSINESS COMBINATIONS (continued)

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

EUR million	Provisional fair value ⁽¹⁾
Other intangibles	2.6
Other property, plant & equipment	3.3
Inventories	2.4
Trade and other receivables	6.1
Cash and cash equivalents	0.6
Non-current borrowings	-0.7
Current borrowings	-3.2
Current tax liabilities	-0.6
Trade and other payables	-8.8
Net assets acquired	1.7
Goodwill (see note 11)	45.7
CONSIDERATION	47.4
Consideration satisfied by:	
Cash payment	33.0
Fair-value of previously held investment	-0.1
Estimation of fair value of the deferred consideration payable in the future	14.5
	47.4

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

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

The fair value of the trade and other receivables amounts to EUR 6.1 million and it is expected that the full amount can be collected. Acquisition-related costs of EUR 6.5 million are included in the consolidated income statement.

The goodwill on the 2011 acquisitions was increased by EUR 1.2 million reflecting fair value adjustments made to the initial valuations disclosed in note 12 of the 2011 Consolidated Financial Statements. This increase mainly reflects changes in the fair value of the net assets acquired.

Disposal of subsidiary

The contribution of D'Ieteren Lease s.a., the former Group subsidiary active in operating leases, to Volkswagen D'Ieteren Finance (VDFin - 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 Board of Directors of the Parent considered that the Group had lost full control and has therefore de-consolidated D'Ieteren Lease s.a. as from 1 January 2012. The contribution of the Group's operating leases activities was accounted for in accordance with IAS 27 resulting in the recognition in operating result of a full gain (realised gain on disposal and the unrealised holding gain on the retained interest) of EUR 39.1 million (being the difference between the contribution consideration of EUR 79.1 million and the consolidated equity of D'Ieteren Lease as at 31 December 2011). The net assets and results of D'Ieteren Lease's activities (currently contributed to the joint venture VDFin) are from now on accounted for using the equity method (see note 7).

In the consolidated statement of financial position as at 31 December 2011, the assets and liabilities of D'Ieteren Lease s.a. were classified as held for sale, the recognition criteria defined in IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations" being satisfied at that closing date.

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 2012	-	0.4	349.8	61.9	145.7	0.3	558.1
Accumulated amortisation and impairment losses at 1 January 2012	-	-0.4	-20.2	-29.6	-79.2	-0.3	-129.7
Carrying amount at 1 January 2012	-	-	329.6	32.3	66.5	-	428.4
Additions:							
Items separately acquired	-	-	-	-	33.9	-	33.9
Disposals	-	-	-	-	-0.2	-	-0.2
Amortisation	-	-	-2.4	-7.4	-17.1	-	-26.9
Impairment losses (see note 9)	-	-	-	-	-7.0	-	-7.0
Transfer from (to) another caption	-	-	-	-	0.2	-	0.2
Items acquired through business combinations	-	-	-	2.6	-	-	2.6
Translation differences	-	-	-1.0	-	0.2	-	-0.8
Carrying amount at 31 December 2012	-	-	326.2	27.5	76.5	-	430.2
<i>of which: gross amount</i>	-	0.4	348.7	64.2	170.2	0.3	583.8
<i>accumulated amortisation and impairment losses</i>	-	-0.4	-22.5	-36.7	-93.7	-0.3	-153.6
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
Carrying amount at 1 January 2011	352.6	-	332.6	36.5	70.5	-	792.2
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
Carrying amount at 31 December 2011	-	-	329.6	32.3	66.5	-	428.4
<i>of which: gross amount</i>	-	0.4	349.8	61.9	145.7	0.3	558.1
<i>accumulated amortisation and impairment losses</i>	-	-0.4	-20.2	-29.6	-79.2	-0.3	-129.7

The nature of the brands with indefinite useful lives is provided in the summary of significant accounting policies in note 2. 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 2012 amortisation amounted to EUR 2.4 million (2011: EUR 3.3 million). The carrying value of the brands with a finite useful life at 31 December 2012 amounted to EUR 1.1 million (2011: EUR 3.0 million), whilst the carrying amount of brands with indefinite useful life amounted to EUR 325.1 million (2011: EUR 326.6 million).

NOTE 13: OTHER INTANGIBLE ASSETS (continued)

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

EUR million	2012	2011
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	90.6	92.1
Spain	9.1	9.1
Portugal	2.9	2.9
Italy	0.3	0.3
Carrying amount of brands	325.1	326.6

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

NOTE 14: VEHICLES

EUR million	2012	2011
Gross amount at 1 January	-	865.4
Accumulated depreciation at 1 January	-	-207.1
Carrying amount at 1 January	-	658.3
Additions	-	649.8
Disposals	-	-101.6
Depreciation charge	-	-110.5
Transfer to inventories	-	-227.9
Transfer from (to) current assets	-	6.2
Transfer to non-current assets held for sale (see note 23)	-	-324.3
Scope exit	-	-549.5
Translation differences	-	-0.5
Carrying amount at 31 December	-	-
<i>of which: gross amount</i>	-	-
<i>accumulated depreciation</i>	-	-

In the consolidated statement of financial position as at 31 December 2011, the fleet assets of D'leteren Lease s.a. were classified as held for sale, the recognition criteria defined in IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations" being satisfied at that closing date (see note 23). In 2011, the financing of the D'leteren Lease fleet was provided by a securitisation programme. This programme was fully reimbursed in early 2012 at the occasion of the contribution of D'leteren Lease to Volkswagen D'leteren Finance, the financing of the fleet being provided by Volkswagen Financial Services.

In 2011, the line "Scope exit" was related to the de-consolidation of the Car Rental's fleet.

NOTE 15: OTHER PROPERTY, PLANT AND EQUIPMENT

EUR million	Property	Plant and equipment	Assets under construction	Total
Gross amount at 1 January 2012	377.9	595.3	8.6	981.8
Accumulated depreciation and impairment losses at 1 January 2012	-178.2	-367.3	-	-545.5
Carrying amount at 1 January 2012	199.7	228.0	8.6	436.3
Additions	34.3	79.7	2.4	116.4
Disposals	-1.0	-6.0	-	-7.0
Depreciation	-20.0	-70.2	-1.2	-91.4
Impairment (see note 9)	-	-0.4	-	-0.4
Transfer from (to) another caption	3.6	0.8	-4.4	-
Items acquired through business combinations	0.5	2.8	-	3.3
Translation differences	-0.3	-0.5	-	-0.8
Carrying amount at 31 December 2012	216.8	234.2	5.4	456.4
<i>of which: gross amount</i>	<i>410.0</i>	<i>648.9</i>	<i>5.4</i>	<i>1,064.3</i>
<i>accumulated depreciation and impairment losses</i>	<i>-193.2</i>	<i>-414.7</i>	<i>-</i>	<i>-607.9</i>
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
Carrying amount at 1 January 2011	241.1	225.5	8.8	475.4
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
Carrying amount at 31 December 2011	199.7	228.0	8.6	436.3
<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>

At 31 December 2012 and at 31 December 2011, assets under construction included property under construction in the Automobile Distribution segment. In 2011, the line "Scope exit" was related to the de-consolidation of the Car Rental segment.

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

EUR million	Property	Plant and equipment	Assets under construction	Total
31 December 2012	-	48.7	-	48.7
31 December 2011	-	46.2	-	46.2

NOTE 16: INVESTMENT PROPERTY

EUR million	2012	2011
Gross amount at 1 January	12.8	12.5
Accumulated depreciation at 1 January	-7.2	-6.7
Carrying amount at 1 January	5.6	5.8
Additions	-	0.3
Disposals	-0.1	-
Depreciation	-0.4	-0.5
Carrying amount at 31 December	5.1	5.6
<i>of which: gross amount</i>	12.7	12.8
<i>accumulated depreciation</i>	-7.6	-7.2
Fair value	10.1	9.1

The fair value is supported by market evidence, and is based on a valuation by an independent valuer who holds a recognised and relevant professional qualification, and who has recent experience in the location and category of the investment property held by the Group. The latest valuations were performed in March 2010 and August 2012.

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	2012		2011	
	Carrying amount	Fair value	Carrying amount	Fair value
Sundry	0.5	0.5	0.5	0.5
Total available-for-sale financial assets	0.5	0.5	0.5	0.5

In 2012 and 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. 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	2012	2011
Non-current assets	-	15.7
Current assets	0.1	1.1
Current liabilities	-0.1	-
Net derivative hedging instruments	-	16.8

Derivative hedging instruments are analysed as follows:

EUR million	2012	2011
Cross currency interest rate swaps (debt derivatives)	-	15.7
Forward foreign exchange contracts (non-debt derivatives)	-	1.1
Net derivative hedging instruments	-	16.8

NOTE 18: DERIVATIVE HEDGING INSTRUMENTS (continued)

In 2012 and in 2011, all derivative hedging instruments belong to 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 and US Dollars. These contracts qualify for hedge accounting and are classified as cash flow hedges. These will occur within one year of the date of the consolidated statement of financial position and are expected to impact the consolidated income statement during the same year. The total notional amount of these contracts is EUR 27.6 million equivalent (2011: EUR 26.3 million) and the total fair value recognised within other comprehensive income is a liability of EUR 0.1 million (2011: an asset of EUR 1.1 million).
- As part of its net investment hedge policy, the Vehicle Glass segment used forward foreign exchange swaps to hedge the exposure of a proportion of its US Dollar denominated net assets against changes in value due to changes in foreign exchange rates. The total notional amount of these contracts is EUR 28.1 million (2011: nil) and the total fair value of foreign exchange swap contracts designated as effective net investment hedges is an asset of EUR 0.1 million (2011: nil).
- 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 384.2 million (2011: EUR 349.5 million).
- In 2011, 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 qualified for hedge accounting. The total notional amount of outstanding cross currency interest swaps contracts (to receive US Dollars for EUR) was EUR 73.6 million and the fair value was an asset of EUR 15.7 million. In order to reduce counter party exposure, the cross currency interest rate swaps outstanding at 31 December 2011 were restructured in June 2012. As substantial positive valuations of those contracts had arisen due to the strengthening of the US Dollar against the Euro, a fair value gain of EUR 12.4 million was realised, of which EUR 0.7 million has been recognised in the consolidated income statement and EUR 11.7 million taken directly in equity.

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	2012	2011
Cross currency interest rate swaps (debt derivatives)	-	73.6
Forward foreign exchange contracts (non-debt derivatives)	55.7	26.3

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	2012	2011
Current assets		
Debt derivatives		
Interest rate swaps	8.7	10.3
Interest rate securitisation swaps	-	1.7
Non-debt derivatives		
Fuel hedge instruments	0.8	0.3
Subtotal	9.5	12.3
Non-current liabilities		
Debt derivatives		
Interest rate swaps	-6.9	-1.1
Subtotal	-6.9	-1.1
Current liabilities		
Debt derivatives		
Interest rate swaps	-1.7	-7.6
Forward foreign exchange contracts	-0.1	-
Non-debt derivatives		
Forward foreign exchange contracts	-0.3	-
Subtotal	-2.1	-7.6
NET DERIVATIVES HELD FOR TRADING	0.5	3.6

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.

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.

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

EUR million	2012	2011
Interest rate swaps	590.3	1,151.0
Interest rate securitisation swaps	-	402.0
Interest rate caps and collars	-	10.0
Interest rate floors and collars	-	10.0
Forward foreign exchange contracts and options	30.8	2.6
"Fuel hedge instruments"	11.9	16.7

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 has decided not to early adopt the revised version of IAS 19 (see note 2.2). The impact of the revised version is not significant.

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

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

Automobile Distribution:
Funded and unfunded schemes:
Belgium
Vehicle Glass:
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. The Group recognises all actuarial gains and losses directly in the consolidated statement of comprehensive income.

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

	Funded schemes				Unfunded schemes			
	2012		2011		2012		2011	
	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
Inflation rate	2.0%	3.0%	1.9%	3.1%	2.0%	2.0%	2.0%	2.0%
Discount rate	2.5%	4.6%	2.6%	4.7%	0.0%	2.4%	0.6%	4.1%
Expected return on scheme assets:								
Equities	5.8%	8.0%	5.8%	8.0%	-	-	-	-
Bonds	2.8%	4.8%	2.8%	5.0%	-	-	-	-
Other	3.5%	7.0%	4.1%	7.0%	-	-	-	-
Rate of salary increases	1.0%	4.7%	1.0%	5.0%	3.3%	3.3%	2.6%	2.6%
Rate of pension increases	1.0%	3.0%	1.0%	3.1%	4.0%	4.0%	2.3%	2.3%

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	2012	2011
Expected return on scheme assets	18.8	20.9
Actual return less expected return on scheme assets	27.4	-21.5
Actual return on scheme assets	46.2	-0.6

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

EUR million	2012	2011
Long-term employee benefit assets	54.9	30.5
Long-term employee benefit obligations	-58.0	-59.1
Recognised net deficit (-) / surplus (+) in the schemes	-3.1	-28.6
<i>of which: amount expected to be settled within 12 months</i>	<i>-0.7</i>	<i>-0.8</i>
<i>amount expected to be settled in more than 12 months</i>	<i>-2.4</i>	<i>-27.8</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	2012			2011		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Present value of defined benefit obligations	-424.6	-4.1	-428.7	-388.8	-3.4	-392.2
Fair value of scheme assets	425.6	-	425.6	363.6	-	363.6
Net deficit (-) / surplus (+) in the schemes	1.0	-4.1	-3.1	-25.2	-3.4	-28.6

The amounts recognised in the statement of financial position for the years 2010 and 2009 were analysed as follows:

EUR million	2010			2009		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Present value of defined benefit obligations	-534.0	-43.7	-577.7	-466.2	-39.1	-505.3
Fair value of scheme assets	506.8	-	506.8	392.3	-	392.3
Net deficit (-) / surplus (+) in the schemes	-27.2	-43.7	-70.9	-73.9	-39.1	-113.0

The fair value of scheme assets includes the following items:

EUR million	2012			2011		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Equity instruments	242.6	-	242.6	215.4	-	215.4
Debt instruments	133.8	-	133.8	112.5	-	112.5
Property	0.1	-	0.1	-	-	-
Other assets	49.1	-	49.1	35.7	-	35.7
Fair value of scheme assets	425.6	-	425.6	363.6	-	363.6

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	2012			2011		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Net deficit (-) / surplus (+) at 1 January	-25.2	-3.4	-28.6	-27.2	-43.7	-70.9
Contributions paid by the Group	17.3	-	17.3	18.5	-	18.5
Benefits paid by the Group	-	0.8	0.8	-	0.8	0.8
Expense recognised in the income statement - continuing	-3.9	-1.5	-5.4	6.7	-0.4	6.3
Expense recognised in the income statement - discontinued	-	-	-	-1.8	-	-1.8
Actuarial gains (+) / losses (-)	12.2	-	12.2	-57.0	-	-57.0
Scope exit	-	-	-	35.7	39.9	75.6
Translation differences	0.6	-	0.6	-0.1	-	-0.1
Net deficit (-) / surplus (+) at 31 December	1.0	-4.1	-3.1	-25.2	-3.4	-28.6

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

The amounts recognised in the income statement are as follows:

EUR million	2012			2011		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Current service cost	-6.0	-1.4	-7.4	-8.7	-0.3	-9.0
Past service cost	-	-	-	11.7	-	11.7
Interest cost	-17.9	-0.1	-18.0	-17.6	-0.1	-17.7
Effect of curtailment or settlement	1.2	-	1.2	0.4	-	0.4
Expected return on scheme assets	18.8	-	18.8	20.9	-	20.9
Expense recognised in the income statement	-3.9	-1.5	-5.4	6.7	-0.4	6.3
<i>of which: commercial and administrative expenses (current items)</i>	-3.9	-1.5	-5.4	-5.0	-0.4	-5.4
<i>commercial and administrative expenses (unusual items - see note 9)</i>	-	-	-	11.7	-	11.7

In 2011, the past service cost of EUR 11.7 million was due to the change by the UK Government of the index used for increasing deferred state pensions.

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

EUR million	2012			2011		
	Funded schemes	Unfunded schemes	Total	Funded schemes	Unfunded schemes	Total
Actual return less expected return on scheme assets	27.4	-	27.4	-21.5	-	-21.5
Experience gain (+) / loss (-) on liabilities	5.8	-	5.8	11.5	-	11.5
Gain (+) / Loss (-) on change of assumptions ⁽¹⁾	-21.0	-	-21.0	-41.2	-	-41.2
Discontinued operations	-	-	-	-5.8	-	-5.8
Actuarial gains (+) / losses (-)	12.2	-	12.2	-57.0	-	-57.0

(1) 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 15.9 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 amortisation write-downs	Provisions	Dividends	Tax losses available for offset	Financial instru- ments	Other	Total
Deferred tax liabilities (negative amounts)								
At 1 January 2011	-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
Credited (charged) to income statement	-1.6	-6.3	1.3	1.5	2.6	3.2	0.7	1.4
Credited (charged) to equity	-	-	0.4	-	-	-	-0.5	-0.1
Other variation	-	-0.2	-	-	-	-	-	-0.2
Exchange differences	-	1.6	-	-	-	-	0.1	1.7
At 31 December 2012	-13.2	-22.7	-3.9	-	-0.1	-5.3	2.4	-42.8
Deferred tax assets (positive amounts)								
At 1 January 2011	-	-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
Transfer to non-current assets held for sale	-	-1.0	-	-	-	-	-	-1.0
Scope exit	-	-30.2	-9.1	-	-1.5	-3.4	-6.8	-51.0
Exchange differences	-	-0.2	-4.1	-	0.4	-	-	-3.9
At 31 December 2011	-	-51.8	37.8	-	62.6	-	5.7	54.3
Credited (charged) to income statement	-	-25.2	33.6	-	-3.5	0.1	-1.5	3.5
Credited (charged) to equity	-	0.5	-2.7	-	-	-	-	-2.2
Other variations	-	-	-	-	-0.5	-	-	-0.5
Exchange differences	-	-0.4	-0.8	-	-	-	-	-1.2
At 31 December 2012	-	-76.9	67.9	-	58.6	0.1	4.2	53.9
Net deferred tax assets (liabilities) after offsetting recognised in the consolidated statement of financial position:								
31 December 2011	-11.6	-69.6	32.2	-1.5	59.9	-8.5	7.8	8.7
31 December 2012	-13.2	-99.6	64.0	-	58.5	-5.2	6.6	11.1

The movement during 2011 in the revaluation column was 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 8.5 million (2011: EUR 11.7 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 218.2 million (2011: EUR 240.2 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 4.2 million (2011: EUR 3.3 million) that will expire in the period 2015-2028 (2011: 2015-2027) and unused tax credits of EUR 38.6 million (2011: EUR 41.1 million) that will expire in the period 2017-2019 (2011: 2012-2018). Other losses may be carried forward indefinitely.

Deferred tax has not been recognised in respect of other deductible temporary differences amounting to EUR 11.8 million (2011: EUR 10.0 million) due to the unpredictability of future profit streams.

NOTE 21: DEFERRED TAXES (continued)

At the balance sheet date the aggregate amount of temporary differences associated with the investments in subsidiaries, branches, associates and interests in joint ventures (being mainly the accumulated positive consolidated reserves of these entities) for which deferred tax liabilities have not been recognised is EUR 1,019.0 million (2011: EUR 831.8 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 amounts to EUR 53.9 million (2011: EUR 54.3 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.

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 composed of guarantee deposits and of a loan granted to a minority shareholder of Belron (and in 2011 of non-current receivables from entities accounted for using the equity method). The loan granted to a minority shareholder is fully guaranteed by a pledge. Their carrying amount approximates their fair value. The loan granted to a minority shareholder of Belron earns interest at a rate set with reference to the prevailing EURIBOR and the other non-current receivables generally generate no interest income. They are expected to be recovered after more than 12 months.

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

Framework

In late 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, throughout the contribution of the Group's operating leases activities and of the Volkswagen Bank Belgium operations. VDFin is operational since early 2012 and is 50% owned (minus one share) by the Group and 50% owned (plus one share) by Volkswagen Financial Services. The contribution of D'leteren Lease s.a. (DIL), the former Group subsidiary active in operating leases, to VDFin occurred in early 2012.

Classification as held for sale

At 2011 year-end, the Board of Directors of the Parent considered that the Parent was committed to a sale plan of D'leteren Lease involving the loss of control of its subsidiary, and had 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).

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
Non-current assets classified as held for sale		347.7

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
Liabilities associated with non-current assets held for sale		333.2

Consolidated net assets group's share		14.5
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NOTE 23: NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE (continued)

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
Total net debt	262.6

NOTE 24: INVENTORIES

EUR million	2012	2011
Automobile Distribution		
Vehicles	279.5	339.6
Spare parts and accessories	32.5	29.5
Other	1.8	1.5
Subtotal	313.8	370.6
Vehicle Glass		
Glass and related product	247.7	256.3
Subtotal	247.7	256.3
GROUP	561.5	626.9
<i>of which: items carried at fair value less costs to sell</i>	<i>68.3</i>	<i>88.0</i>

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: HELD-TO-MATURITY INVESTMENTS AND OTHER FINANCIAL ASSETS

In the Automobile Distribution segment, held-to-maturity financial assets (EUR 211.7 million) comprise short-term investments in corporate commercial papers and sovereign debts with high credit ratings. These investments mature within one year and have been building up notably with the proceeds of the sale of the Avis Europe shares and with the net cash inflow arising from the set-up of Volkswagen D'Ieteren Finance (VDFin) and the contribution to VDFin of all the D'Ieteren Lease shares.

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

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	2012			2011		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Trade receivables - net	107.3	176.5	283.8	137.2	186.1	323.3
Receivables from entities accounted for using the equity method	0.1	-	0.1	1.3	-	1.3
Other receivables	7.2	102.7	109.9	7.3	67.5	74.8
Trade and other receivables	114.6	279.2	393.8	145.8	253.6	399.4

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.

NOTE 27: TRADE AND OTHER RECEIVABLES (continued)

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

In the Automobile Distribution segment, concentration on top ten customers is 26.5% (2011: 23%) and no customer is above 10% (2011: 7%). 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.

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 2012, the provisions for bad and doubtful debt amounted to EUR 24.3 million (2011: EUR 22.8 million).

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

EUR million	2012	2011
Up to three months past due	96.9	95.1
Three to six months past due	11.8	10.2
Over six months past due	5.6	6.5
Total	114.3	111.8

The increase of the provisions for bad and doubtful debt amounts to EUR 3.3 million as disclosed in note 5 (in 2011, decrease of EUR 3.0 million).

NOTE 28: CASH AND CASH EQUIVALENTS

Cash and cash equivalents are analysed below:

EUR million	2012			2011		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Cash at bank and in hand	93.0	38.7	131.7	74.5	36.5	111.0
Short-term deposits	50.0	-	50.0	20.0	-	20.0
Money Market Assets	-	-	-	119.0	-	119.0
Cash and cash equivalents	143.0	38.7	181.7	213.5	36.5	250.0

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 2012 and 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. See note 25 for information related to held-to-maturity investments.

In the Vehicle Glass segment, due to legal restrictions, cash balances held in Brazil, amounting to EUR 5.3 million (2011: EUR 3.7 million), are not available for general use by the Parent or other subsidiaries.

Short-term deposits mature within 1 month.

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 2011	55,302,620	160.0
Change	-	-
At 31 December 2011	55,302,620	160.0
Change	-	-
At 31 December 2012	55,302,620	160.0

On 20 December 2010, the Extraordinary General Meeting of Shareholders has decided to split the existing shares and participating shares in the proportion of one existing share for ten new shares, and to have bearer shares converted into either registered or dematerialized shares. All ordinary shares issued are fully paid. Ordinary shares have no face value. 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.

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

	31/12/2012		31/12/2011	
	Number	Amount	Number	Amount
Treasury shares held by the Parent	914,833	22.6	744,423	15.8
Treasury shares held by subsidiaries	-	-	-	-
Treasury shares held	914,833	22.6	744,423	15.8

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.

NOTE 29: EQUITY (continued)

Disclosure of company shareholders (according to the declarations of major shareholdings dated 02/11/2011)	Capital		Participating		Total voting	
	shares		shares		rights	
	Number	%	Number	%	Number	%
s.a. de Participations et de Gestion, Brussels	10,322,060	18.66%	-	-	10,322,060	17.12%
Reptid Commercial Corporation, Dover, Delaware	2,025,320	3.66%	-	-	2,025,320	3.36%
Mrs Catheline Périer-D'Ieteren	1,529,900	2.77%	1,250,000	25.00%	2,779,900	4.61%
Mr Olivier Périer	10,000	0.02%	-	-	10,000	0.02%
The four abovementioned persons (collectively "SPDG Group") are associated and act in concert with Cobepa s.a.	13,887,280	25.11%	1,250,000	25.00%	15,137,280	25.10%
Nayarit Participations s.c.a., Brussels	17,217,830	31.13%	-	-	17,217,830	28.55%
Mr Roland D'Ieteren	466,190	0.84%	3,750,000	75.00%	4,216,190	6.99%
Mr Nicolas D'Ieteren	10,000	0.02%	-	-	10,000	0.02%
The three abovementioned persons (collectively "Nayarit Group") are associated and act in concert with Cobepa s.a.	17,694,020	31.99%	3,750,000	75.00%	21,444,020	35.56%
The persons referred to as SPDG Group and Nayarit Group act in concert.						
Cobepa s.a., Brussels	2,126,210	3.84%	-	-	2,126,210	3.53%
Cobepa s.a. acts in concert on the one hand with Nayarit Group and on the other hand with SPDG Group.						

The Board of Directors proposed the distribution of a gross dividend amounting to EUR 0.80 per share (2011: EUR 0.80 per share), or EUR 44.0 million in aggregate (2011: EUR 44.1 million).

NOTE 30: PROVISIONS

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

The major classes of provisions are the following ones:

EUR million	2012			2011		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Non-current provisions						
Dealer-related	14.1	-	14.1	19.2	-	19.2
Warranty	4.8	-	4.8	5.0	-	5.0
Other non-current items	6.1	0.6	6.7	7.6	36.8	44.4
Subtotal	25.0	0.6	25.6	31.8	36.8	68.6
Current provisions						
Other current items	-	6.5	6.5	-	8.9	8.9
Subtotal	-	6.5	6.5	-	8.9	8.9
Total provisions	25.0	7.1	32.1	31.8	45.7	77.5

NOTE 30: PROVISIONS (continued)

The changes in provisions are set out below for the year ended 31 December 2012:

EUR million	Dealer-related	Warranty	Other non-current items	Other current items	Total
At 1 January 2012	19.2	5.0	44.4	8.9	77.5
Charged in the year	2.5	0.1	2.8	25.9	31.3
Utilised in the year	-6.5	-0.3	-4.1	-27.9	-38.8
Reversed in the year	-1.1	-	-24.8	-	-25.9
Transferred during the year	-	-	-11.8	-0.4	-12.2
Translation differences	-	-	0.2	-	0.2
At 31 December 2012	14.1	4.8	6.7	6.5	32.1

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.

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 2012;

NOTE 31: BORROWINGS

Borrowings are analysed as follows:

EUR million	Notes	2012			2011		
		Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Non-current borrowings							
Bonds		249.9	-	249.9	249.7	-	249.7
Obligations under finance leases		-	27.1	27.1	-	25.9	25.9
Bank and other loans		1.5	62.8	64.3	1.6	46.6	48.2
Loan notes		-	459.9	459.9	-	464.4	464.4
Subtotal non-current borrowings		251.4	549.8	801.2	251.3	536.9	788.2
Current borrowings							
Bonds		-	-	-	100.0	-	100.0
Obligations under finance leases		-	21.6	21.6	-	20.3	20.3
Bank and other loans		2.1	85.5	87.6	1.0	20.8	21.8
Intra-segment subordinated loan	23	-	-	-	-89.0	-	-89.0
Inter-segment loan		-130.0	130.0	-	-240.0	240.0	-
Subtotal current borrowings		-127.9	237.1	109.2	-228.0	281.1	53.1
TOTAL BORROWINGS		123.5	786.9	910.4	23.3	818.0	841.3

NOTE 31: BORROWINGS (continued)

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):

	2012				2011			
	Issued	Principal (EUR million)	Maturing	Fixed rate	Issued	Principal (EUR million)	Maturing	Fixed rate
	-	-	-	-	July 2004	100.0	2012	5.25%
	July 2005	100.0	2015	4.25%	July 2005	100.0	2015	4.25%
	December 2009	150.0	2014	5.50%	December 2009	150.0	2014	5.50%
Total		250.0				350.0		

The weighted average cost of bonds in 2012 was 5.1% (2011: 5.1%).

In 2011, the Group issued bonds under a securitisation programme, through its wholly-owned subsidiary s.a. D'Ieteren Lease n.v. ("D'Ieteren Lease"). 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%. At 2011 year-end, in accordance with the requirements of IFRS 5, bonds under securitisation programme had been classified within liabilities associated with non-current assets held for sale (see note 23). The programme was 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).

Obligations under finance leases are analysed below:

EUR million	2012		2011	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Within one year	22.1	21.6	20.8	20.3
Between one and five years	28.7	26.6	27.5	25.3
More than five years	0.7	0.5	0.8	0.6
Subtotal	51.5	48.7	49.1	46.2
Less: future finance charges	-2.8		-2.9	
Present value of finance lease obligations	48.7		46.2	

At year-end, obligations under finance leases are only located in the Vehicle Glass segment. 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 1.2% to 20.6% in 2012 (2011: 1.9% to 20.6%).

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	2012		2011	
			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	50.0	2018
Series B (March 2011)	5.13%	USD	100.0	2021	100.0	2021
Series C (March 2011)	5.25%	USD	100.0	2023	100.0	2023

NOTE 31: BORROWINGS (continued)

The Group runs one commercial paper (EUR 300.0 million; in 2011: EUR 300.0 million) programme in Belgium through s.a. D'leteren Treasury n.v., a wholly-owned subsidiary of the Parent. This programme is guaranteed by the Parent. No cost incurred over 2012 and 2011 as unused during these periods. Medium term notes can also be drawn from this programme.

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

In 2011, the intra-segment subordinated loan represented 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 was eliminated upon consolidation but was 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 was 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	2012	2011
Between one and five years	610.7	475.6
After more than five years	190.5	312.6
Non-current borrowings	801.2	788.2

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	2012	2011
Less than one year	109.2	53.1
Between one and five years	610.7	475.6
After more than five years	190.5	312.6
Borrowings	910.4	841.3

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	2012			2011		
	Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total
EUR	257.3	213.0	470.3	355.4	304.6	660.0
GBP	24.6	-	24.6	24.0	5.0	29.0
USD	399.4	9.2	408.6	397.9	14.2	412.1
Other	5.2	1.7	6.9	5.3	2.4	7.7
Total	686.5	223.9	910.4	782.6	326.2	1,108.8

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

EUR million	2012			2011		
	Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total
EUR	390.1	4.5	394.6	763.8	-180.4	583.4
GBP	24.6	-	24.6	24.0	5.0	29.0
USD	475.1	9.2	484.3	474.5	14.2	488.7
Other	5.2	1.7	6.9	5.3	2.4	7.7
Total	895.0	15.4	910.4	1,267.6	-158.8	1,108.8

NOTE 31: BORROWINGS (continued)

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	2012		2011	
	Min.	Max.	Min.	Max.
EUR	1.9%	6.8%	1.9%	6.6%
GBP	5.9%	5.9%	3.0%	5.9%
USD	1.2%	6.5%	2.0%	7.0%
Other	3.3%	20.6%	2.9%	20.6%

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

EUR million	2012		2011	
	Fair value	Carrying amount	Fair value	Carrying amount
Bonds	259.0	249.9	255.3	249.7
Obligations under finance leases	27.1	27.1	25.9	25.9
Bank loans, loan notes and other loans	530.8	524.2	509.3	512.6
Non-current borrowings	816.9	801.2	790.5	788.2

The fair value of the bonds is determined based on their market prices. 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	Notes	31 December 2012			31 December 2011		
		Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Non-current borrowings		251.4	549.8	801.2	251.3	536.9	788.2
Current borrowings		2.1	107.1	109.2	12.0	41.1	53.1
Inter-segment loan		-130.0	130.0	-	-240.0	240.0	-
Adjustment for hedged borrowings		-	-	-	-	-2.9	-2.9
Gross debt		123.5	786.9	910.4	23.3	815.1	838.4
Less: Cash and cash equivalents		-143.0	-38.7	-181.7	-213.5	-36.5	-250.0
Less: Held-to-maturity investments	25	-211.7	-	-211.7	-	-	-
Less: Other non-current receivables	22	-20.0	-	-20.0	-0.5	-	-0.5
Less: Other current receivables		-	-5.7	-5.7	-0.3	-	-0.3
Net debt from continuing activities excluding assets and liabilities classified as held for sale		-251.2	742.5	491.3	-191.0	778.6	587.6
Net debt in assets and liabilities classified as held for sale	23	-	-	-	262.6	-	262.6
Net debt from discontinued operations		-	-	-	-	-	-
Total net debt		-251.2	742.5	491.3	71.6	778.6	850.2

The decrease of the net debt compared to 31 December 2011 is mainly explained by the deconsolidation of the D'leteren Lease net debt (following its contribution to Volkswagen D'leteren Finance, the joint venture created by the Group and Volkswagen Financial Services).

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 2012, the exercise price of all options granted to non-controlling shareholders (put options with related call options, exercisable until 2024) amounts to EUR 134.1 million (2011: EUR 154.0 million).

For put options granted to non-controlling shareholders prior to 1 January 2010, the difference between the exercise price of the options and the carrying value of the non-controlling interest (EUR 45.6 million at 31 December 2012) is presented as additional goodwill (EUR 70.1 million at 31 December 2012).

For put options granted to non-controlling shareholders as from 1 January 2010, the re-measurement at year-end of the financial liability resulting from these options amounts to EUR 2.8 million and is recognised in the consolidated income statement as a re-measurement income in net finance costs (see note 9).

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

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	2012			2011		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Trade payables	77.2	116.4	193.6	99.4	98.3	197.7
Accrued charges and deferred income	38.1	5.5	43.6	37.1	5.7	42.8
Non-income taxes	2.7	57.6	60.3	6.4	15.8	22.2
Deferred consideration on acquisitions	-	13.9	13.9	-	6.9	6.9
Other creditors	38.1	240.3	278.4	46.8	241.3	288.1
Trade and other payables	156.1	433.7	589.8	189.7	368.0	557.7

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	2012			2011		
	Automobile Distribution	Vehicle Glass	Group	Automobile Distribution	Vehicle Glass	Group
Retirement benefit charges under defined contribution schemes	-4.6	-15.0	-19.6	-5.2	-13.3	-18.5
Retirement benefit charges under defined benefit schemes (see note 20)	-1.8	-3.6	-5.4	-0.7	7.0	6.3
Total retirement benefit charge	-6.4	-18.6	-25.0	-5.9	-6.3	-12.2
Wages, salaries and social security costs	-128.5	-984.2	-1,112.7	-135.1	-980.9	-1,116.0
Share-based payments: equity-settled	-1.8	-	-1.8	-1.0	-	-1.0
Total employee benefit expense	-136.7	-1,002.8	-1,139.5	-142.0	-987.2	-1,129.2
of which: current items	-136.7	-1,002.8	-1,139.5	-142.0	-998.9	-1,140.9
unusual items (defined benefit schemes - see notes 9 and 20)	-	-	-	-	11.7	11.7

The above expense includes the amounts reversed/charged in 2012 and in 2011 in respect of the long-term management incentive schemes in the Vehicle Glass segment.

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

EUR million	2012	2011
Automobile Distribution	1,587	1,588
Vehicle Glass	24,200	25,199
Group	25,787	26,787

NOTE 37: SHARE-BASED PAYMENTS

There is in the Group an equity-settled share-based payment scheme. Since 1999, share option schemes have been granted to officers and managers of the Automobile Distribution segment, in the framework of the Belgian law of 26 March 1999. The underlying share is the ordinary share of s.a. D'Ieteren n.v.

Options outstanding are as follows:

Date of grant	Number of options (in units)		Exercise price (EUR)	Exercise period	
	2012	2011		From	To
2012	79,100	-	36.45	1/01/2016	14/10/2022
2011	217,814	217,814	35.00	1/01/2015	22/12/2021
2010	81,350	81,350	39.60	1/01/2014	3/10/2020
2009	107,850	107,850	24.00	1/01/2013	27/10/2019
2008	102,040	121,530	12.10	1/01/2012	5/11/2018
2007	69,660	72,910	26.40	1/01/2011	2/12/2022
2006	39,400	40,300	26.60	1/01/2010	27/11/2021
2005	43,250	45,250	20.90	1/01/2009	6/11/2020
2004	27,450	28,950	14.20	1/01/2008	28/11/2019
2003	25,700	27,200	16.34	1/01/2007	16/11/2018
2002	30,300	31,200	11.60	1/01/2006	13/10/2015
2001	13,850	14,250	13.30	1/01/2005	25/10/2014
2000	21,050	25,000	26.70	1/01/2004	25/09/2013
1999	-	32,525	37.50	1/01/2003	17/10/2012
Total	858,814	846,129			

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

NOTE 37: SHARE-BASED PAYMENTS (continued)

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)	
	2012	2011	2012	2011
Outstanding options at the beginning of the period	846,129	748,090	26.17	23.30
Granted during the period	79,100	217,814	36.45	35.00
Forfeited during the period	-29,125	-	37.50	-
Exercised during the period	-37,290	-120,075	18.29	24.00
Other movements during the period	-	300	-	12.00
Outstanding options at the end of the period	858,814	846,129	27.07	26.20
<i>of which: exercisable at the end of the period</i>	<i>480,550</i>	<i>439,115</i>	<i>19.81</i>	<i>16.50</i>

In 2012, a large part of the options were exercised during the last quarter of the period. The average share price during the period was EUR 34.98 (2011: EUR 43.20). The forfeited movement during the period relates to the options initially granted in 1999 which have expired in October 2012.

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

	Number of years
31 December 2012	7.6
31 December 2011	8.0

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 2012 and 2011 issues were as follows:

	2012	2011
Number of employees	161	223
Spot share price (EUR)	37.44	34.34
Option exercise price (EUR)	36.45	35.00
Vesting period (in years)	3.0	3.0
Expected life (in years)	6.5	7.0
Expected volatility (in %)	31%	27%
Risk free rate of return (in %)	1.66%	2.19%
Expected dividend (EUR)	0.800	0.425
Probability of ceasing employment before vesting (in %)	0%	0%
Weighted average fair value per option (EUR)	10.49	11.04

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 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'leteren Lease to Volkswagen D'leteren Finance, a joint venture created by the Group and Volkswagen Financial Services (a subsidiary of the Volkswagen group). Debt finance is provided by the latter going forward.

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.

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

EUR million	Due within one year		Due between one and five years		Due after five years		Total	
	Capital	Interest	Capital	Interest	Capital	Interest	Capital	Interest
At 31 December 2012								
Borrowings								
Public bonds	-	12.5	250.0	16.8	-	-	250.0	29.3
Obligations under finance leases	21.6	0.4	26.6	2.2	0.5	0.1	48.7	2.7
Other borrowings and private bonds	88.5	27.9	336.2	66.9	190.2	34.1	614.9	128.9
Total	110.1	40.8	612.8	85.9	190.7	34.2	913.6	160.9
Trade and other payables	589.9	-	-	-	-	-	589.9	-
Derivative financial assets and liabilities								
Derivative contracts - receipts	-86.7	-8.6	-	-24.2	-75.7	-21.9	-162.4	-54.7
Derivative contracts - payments	87.2	6.3	-	14.1	80.3	14.9	167.5	35.3
Total	700.5	38.5	612.8	75.8	195.3	27.2	1,508.6	141.5
At 31 December 2011								
Borrowings								
Public 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 and private bonds	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
Total	881.1	45.8	478.6	98.2	310.0	36.2	1,669.7	180.2

NOTE 38: FINANCIAL RISK MANAGEMENT (continued)

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.

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

EUR million	Result from continuing operations		Cash flow hedge reserve	
	1% increase	1% decrease	1% increase	1% decrease
31 December 2012	0.7	-1.6	-	-
31 December 2011	2.9	-2.9	-	-

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

EUR million	Result from continuing operations		Equity	
	10% strenghtening	10% weakening	10% strenghtening	10% weakening
31 December 2012				
EUR vs GBP	0.1	-0.1	-9.3	11.4
EUR vs USD	1.2	-1.5	-0.5	0.7
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

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:

EUR million	At 31 December 2012				At 31 December 2011			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Non-current and current assets:								
Derivative hedging instruments	-	0.1	-	0.1	-	16.8	-	16.8
Derivatives held for trading	-	9.5	-	9.5	-	12.3	-	12.3
Total assets	-	9.6	-	9.6	-	29.1	-	29.1
Non-current and current liabilities:								
Derivative hedging instruments	-	0.4	-	0.4	-	-	-	-
Derivatives held for trading	-	8.7	-	8.7	-	10.7	-	10.7
Total liabilities	-	9.1	-	9.1	-	10.7	-	10.7

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.

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 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.

NOTE 39: CONTINGENCIES AND COMMITMENTS

EUR million	2012	2011
Commitments to acquisition of non-current assets	7.5	26.3
Other important commitments:		
Commitments given	26.1	40.4
Commitments received	29.1	3.5

In 2012, the commitments to acquisition of non-current assets mainly concern other property, plant and equipment in the Vehicle Glass segment.

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

EUR million	2012	2011
Within one year	117.7	109.7
Later than one year and less than five years	321.6	302.1
After five years	113.7	113.0
Total	553.0	524.8

NOTE 39: CONTINGENCIES AND COMMITMENTS (continued)

The Group also acts as a lessor in a number of operating leases (in 2011, mainly through its wholly-owned subsidiary s.a. D'Ieteren Lease n.v.). The related future minimum lease payments under non-cancellable operating leases, per maturity, are as follows:

EUR million	2012				2011			
	Investment property	Vehicles	Other property, plant and equipment	Total	Investment property	Vehicles	Other property, plant and equipment	Total
Within one year	1.3	-	-	1.3	0.7	88.0	-	88.7
Later than one year and less than five years	3.7	-	-	3.7	2.8	129.9	-	132.7
After five years	1.1	-	-	1.1	0.3	0.2	-	0.5
Total	6.1	-	-	6.1	3.8	218.1	-	221.9

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.

NOTE 40: RELATED PARTY TRANSACTIONS

EUR million	2012	2011
With entities with joint control or significant influence over the Group:		
Amount of the transactions entered into during the period	1.1	0.7
Outstanding creditor balance at 31 December	2.0	10.4
With associates:		
Sales	6.6	11.6
Purchases	-0.1	-0.6
Trade receivables outstanding at 31 December	0.1	1.0
With joint ventures in which the Group is a venturer:		
Sales	86.1	-
Purchases	-21.9	-
Trade receivables outstanding at 31 December	3.0	-
With key management personnel:		
Compensation:		
Short-term employee benefits	5.0	5.4
Post-employment benefits	0.3	0.2
Total compensation	5.3	5.6
Amount of the other transactions entered into during the period	n/a	n/a
Outstanding creditor balance at 31 December	n/a	n/a
With other related parties:		
Amount of the transactions entered into during the period	0.1	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 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. This scheme was effective on 3 October 2011. The assets and liabilities were de-consolidated as from this effective date. 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 had therefore decided to present the 9 months results of 2011 of the Car Rental segment as a discontinued operation.

Income statement

EUR million	30 September 2011		
	Total	Current items ⁽¹⁾	Unusual items and re-measurements ⁽¹⁾
Sales	1,161.2	1,161.2	-
Operating result	136.4	157.7	-21.3
Net finance costs	-39.1	-36.7	-2.4
Result before tax	97.3	121.0	-23.7
Share of result of entities accounted for using the equity method	0.6	0.6	-
Tax expense	-29.3	-35.5	6.2
Result after tax of discontinued operations	68.6	86.1	-17.5
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

(1) See summary of significant accounting policies in note 2.

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

EUR	30 September 2011		
	Total	Current items ⁽¹⁾	Unusual items and re-measurements ⁽¹⁾
Basic	1.26	0.94	0.32
Diluted	1.26	0.94	0.32

(1) See summary of significant accounting policies in note 2.

Total comprehensive income

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

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
Non-current assets	1,130.9
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
Current assets	1,478.3
TOTAL ASSETS	2,609.2
Non-controlling interest	265.2
Long-term employee benefit obligations	75.6
Other provisions	26.8
Borrowings	24.2
Deferred tax liabilities	150.4
Non-current liabilities	277.0
Provisions	25.4
Derivatives instruments	22.4
Borrowings	906.4
Current tax liabilities	43.4
Trade and other payables	660.6
Current liabilities	1,658.2
TOTAL EQUITY AND LIABILITIES	2,200.4

Cash flows

EUR million	30 September 2011
Net cash generated from operating activities	-104.7
Net cash from investing activities	-4.6
Net cash from financing activities	-12.9
Effect on cash flows	-122.2

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:

Name	Country of incorporation	% of share capital owned at 31 Dec. 2012	% of share capital owned at 31 Dec. 2011
Automobile Distribution			
s.a. D'leteren Lease n.v.	Belgium	-	100%
s.a. D'leteren Sport n.v.	Belgium	75%	75%
Power To Wheels s.a.	Belgium	100%	100%
s.a. D'leteren Services n.v.	Belgium	100%	100%
s.a. D'leteren Treasury n.v.	Belgium	100%	100%
D'leteren Trading b.v.	The Netherlands	100%	100%
D'leteren 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%	100%
Vehicle Glass			
Belron s.a.	Luxemburg	92.73%	92.73%

The main entity accounted for using the equity method is the joint venture Volkswagen D'leteren Finance s.a. (50% owned minus one share).

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	2012	2011
Closing rate		
AUD	0.79	0.78
BRL	0.37	0.41
CAD	0.76	0.75
GBP	1.23	1.20
USD	0.76	0.77
Average rate ⁽¹⁾		
AUD	0.80	0.74
BRL	0.40	0.42
CAD	0.78	0.73
GBP	1.23	1.16
USD	0.78	0.72

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

NOTE 44: SUBSEQUENT EVENTS

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

s.a. D'leteren n.v.

Abridged Statutory Financial Statements 2012

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The statutory financial statements of s.a. D'leteren 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'leteren n.v., the related management report and Statutory Auditor's report shall be deposited at the National Bank of Belgium within the legal deadline and may be obtained free of charge from the internet site www.dieteren.com or on request from:

s.a. D'leteren 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'leteren n.v.

Abridged Balance Sheet

At 31 December

EUR million	2012	2011
ASSETS		
Fixed assets	2,478.1	2,428.2
II. Intangible assets	4.2	1.8
III. Tangible assets	102.0	96.5
IV. Financial assets	2,371.9	2,329.9
Current assets	356.2	401.1
V. Non-current receivables	20.0	-
VI. Stocks	302.8	354.5
VII. Amounts receivable within one year	5.0	19.2
VIII. Investments	22.6	17.7
IX. Cash at bank and in hand	0.5	1.8
X. Deferred charges and accrued income	5.3	7.9
TOTAL ASSETS	2,834.3	2,829.3
LIABILITIES		
Capital and reserves	960.9	920.4
I.A. Issued capital	160.0	160.0
II. Share premium account	24.4	24.4
IV. Reserves	696.5	666.0
V. Accumulated profits	80.0	70.0
Provisions and deferred taxes	29.1	35.6
Creditors	1,844.3	1,873.3
VIII. Amounts payable after one year	1,340.6	1,306.1
IX. Amounts payable within one year	446.3	507.4
X. Accrued charges and deferred income	57.4	59.8
TOTAL LIABILITIES	2,834.3	2,829.3

Abridged Income Statement

Year ended 31 December

EUR million	2012	2011
I. Operating income	2,753.9	3,118.9
II. Operating charges	2,666.2	3,035.5
III. Operating profit	87.7	83.4
IV. Financial income	5.4	113.5
V. Financial charges	60.2	65.1
VI. Result on ordinary activities before income taxes	32.9	131.8
VII. Extraordinary income	58.8	-
VIII. Extraordinary charges	7.1	-
IX. Result for the period before taxes	84.6	131.8
IXbis. Deferred taxes	-	-0.5
X. Income taxes	0.1	-
XI. Result for the period	84.5	131.3
XII. Variation of untaxed reserves ⁽¹⁾	0.1	-0.7
XIII. Result for the period available for appropriation	84.6	130.6

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

Abridged Appropriation

Year ended 31 December

EUR million	2012	2011
APPROPRIATION ACCOUNT		
Profit (loss) to be appropriated	154.6	170.6
Gain (loss) of the period available for appropriation	84.6	130.6
Profit (loss) brought forward	70.0	40.0
Withdrawals from capital and reserves	0.7	0.3
from reserves	0.7	0.3
Transfer to capital and reserves	31.2	56.8
to other reserves	31.2	56.8
Profit (loss) to be carried forward	80.0	70.0
Profit to be distributed	44.0	44.1
Dividends	44.0	44.1

This proposed appropriation is subject to approval by the Annual General Meeting of 30 May 2013.

Abridged Note

Auditor's Remuneration

The Statutory Auditor is BDO Réviseurs d'entreprises – Bedrijfsrevisoren 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	2012	2011
Audit		
s.a. D'leteren n.v. (charged by BDO)	197,244	191,500
Non-audit		
Other assurance services		
s.a. D'leteren n.v. (charged by BDO)	42,952	126,077
Tax advisory services (charged by SC BDO, Conseils fiscaux - Belastingconsulenten- former Socofidex)	19,159	19,852
TOTAL	259,355	337,429

Summary of Accounting Policies

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

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

The main depreciation rates are the following:

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

L: straight line.

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

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

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

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

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

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

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

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

Amounts 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.