

## 2008 HALF-YEAR RESULTS

- Current result before tax, group's share, slightly down 4.5% to EUR 102.3 million
  - *Automobile distribution and Corporate activities* : down 10.5% to EUR 53.5 million due to a slight sales decline caused by supply delays, and to higher marketing costs linked to the biennial car show
  - *Vehicle glass* : up 11.9% to EUR 54.4 million, as a result of sustained organic and acquired growth, and despite adverse currency impact and a mild winter
  - *Car rental* : down from EUR -1.3 million to EUR -5.6 million due to increased fleet costs mainly due to weak used car markets in Spain and the UK, and the prior year benefiting from property disposals, despite continued volume growth, further improvement in rental revenue per day and strong performance by licensees
  
- Group's share in the result for the period<sup>1</sup> up 30.1% to EUR 87.3 million

### Key consolidated results

IFRS, EUR million	H1 2008		H1 2007		% change	
	Current items	Total	Current items	Total	Current items	Total
Sales	<b>3,199.4</b>	<b>3,199.4</b>	3,130.1	3,130.1	2.2%	2.2%
Operating result	<b>179.4</b>	<b>166.6</b>	181.4	155.0	-1.1%	7.5%
Current result before tax, group's share	<b>102.3</b>	-	107.1	-	-4.5%	-
Group's share in the result for the period <sup>1</sup>	<b>89.3</b>	<b>87.3</b>	85.6	67.1	4.3%	30.1%



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## CONSOLIDATED RESULTS

IFRS, EUR million	H1 2008			H1 2007			% change	
	Current items	Unusual items and re-measurements	Total	Current items	Unusual items and re-measurements	Total	Current items	Total
<b>Sales</b>	<b>3,199.4</b>	<b>-</b>	<b>3,199.4</b>	<b>3,130.1</b>	<b>-</b>	<b>3,130.1</b>	<b>2.2%</b>	<b>2.2%</b>
<b>Operating result</b>	<b>179.4</b>	<b>-12.8</b>	<b>166.6</b>	<b>181.4</b>	<b>-26.4</b>	<b>155.0</b>	<b>-1.1%</b>	<b>7.5%</b>
Net finance costs	-64.9	4.4	-60.5	-59.2	-1.8	-61.0	9.6%	-0.8%
<b>Result before tax</b>	<b>114.5</b>	<b>-8.4</b>	<b>106.1</b>	<b>122.2</b>	<b>-28.2</b>	<b>94.0</b>	<b>-6.3%</b>	<b>12.9%</b>
Share of result of entities accounted for using the equity method	0.8	0.0	0.8	0.5	0.0	0.5	-	-
Tax expense	-15.5	3.3	-12.2	-28.4	7.2	-21.2	-45.4%	-42.5%
<b>Result from continuing operations</b>	<b>99.8</b>	<b>-5.1</b>	<b>94.7</b>	<b>94.3</b>	<b>-21.0</b>	<b>73.3</b>	<b>5.8%</b>	<b>29.2%</b>
Discontinued operations	0.0	1.3	1.3	2.7	-7.1	-4.4	-	-
<b>Result for the period</b>	<b>99.8</b>	<b>-3.8</b>	<b>96.0</b>	<b>97.0</b>	<b>-28.1</b>	<b>68.9</b>	<b>2.9%</b>	<b>39.3%</b>
<b>Result attributable to:</b>								
<b>Equity holders of D'Ieteren</b>	<b>89.3</b>	<b>-2.0</b>	<b>87.3</b>	<b>85.6</b>	<b>-18.5</b>	<b>67.1</b>	<b>4.3%</b>	<b>30.1%</b>
Minority interest	10.5	-1.8	8.7	11.4	-9.6	1.8	-7.9%	383.3%
Earnings per share for result for the period attributable to equity holders of the Parent								
Basic earnings per share (EUR)	16.23	-0.38	15.85	15.53	-3.36	12.17	4.5%	30.2%
Diluted earnings per share (EUR)	16.20	-0.38	15.82	15.45	-3.34	12.11	4.9%	30.6%
Earnings per share for result from continuing operations attributable to equity holders of the Parent								
Basic earnings per share (EUR)	16.23	-0.51	15.72	15.23	-2.58	12.65	6.6%	24.3%
Diluted earnings per share (EUR)	16.20	-0.51	15.69	15.16	-2.57	12.59	6.9%	24.6%

### Current result before tax, group's share

IFRS, EUR million	H1 2008	H1 2007	% change
<b>Current result before tax</b>	<b>114.5</b>	<b>122.2</b>	<b>-6.3%</b>
Share of minority interest in current result before tax	-12.2	-15.1	-19.2%
<b>Current result before tax, group's share</b>	<b>102.3</b>	<b>107.1</b>	<b>-4.5%</b>

**Consolidated sales** up 2.2% to EUR 3,199.4 million.

Operating result up 7.5% to EUR 166.6 million, including EUR 12.8 million unusual items and re-measurements for Avis Europe and Belron. Excluding unusual items and re-measurements, **current operating result** down 1.1% to EUR 179.4 million.

Net finance costs down EUR 0.5 million to EUR 60.5 million. Excluding unusual items and re-measurements, **net current finance costs** up EUR 5.7 million to EUR 64.9 million.

Result before tax up 12.9% to EUR 106.1 million. Excluding unusual items and re-measurements, **current result before tax** down 6.3% to EUR 114.5 million.

**Current result before tax, group's share**, down 4.5% to EUR 102.3 million.

**Group's share in the result for the period<sup>1</sup>** up 30.1% to EUR 87.3 million.

## SEGMENT RESULTS

### 1. Automobile distribution and Corporate activities – D’leteren Auto

- Belgian automobile market up 7.2% to a record level of 330,697 new car registrations
- Orders strongly up; share in registrations down to 19.10% due to supply delays
- Sales slightly down by 1.4% compared to the record level of 2007
- Current operating result of EUR 67.4 million, down 7% compared to a record first half of 2007, but up 8% compared to the previous car show year 2006
- FY 2008 new car registrations now expected to be around 520,000 units

IFRS, EUR million	H1 2008			H1 2007			% change	
	Current items	Unusual items and re-measurements	Total	Current items	Unusual items and re-measurements	Total	Current items	Total
New vehicles delivered (in units)	-	-	68,632	-	-	70,592	-	-2.8%
External sales	1,511.1	-	1,511.1	1,532.0	-	1,532.0	-1.4%	-1.4%
Operating result	67.4	-	67.4	72.5	-	72.5	-7.0%	-7.0%
Net finance costs	-13.8	0.2	-13.6	-12.3	-3.5	-15.8	12.2%	-13.9%
Current result before tax	53.6	-	-	60.2	-	-	-11.0%	-
Current result before tax, group's share	53.5	-	-	59.8	-	-	-10.5%	-

#### 1.1. Activities and results

D’leteren Auto sales amounted to EUR 1,511.1 million in the first half of 2008, down 1.4% compared to the record level of 2007, mainly due to supply delays which did not allow to meet the strong demand.

##### **New vehicles**

In the first half of 2008, new car registrations in Belgium amounted to a record level of 330,697 units, up 7.2%, notably benefiting from the Brussels’ Car Show.

The makes distributed by D’leteren Auto achieved 19.10% market share, down compared with 19.97% for the full year 2007, but continuously improving since the end of February 2008 (18.61%).

Overall, orders were strongly up. Volkswagen and Audi market shares suffered from supply delays, particularly the VW BlueMotion range and the new Audi A4 Avant. Skoda and Porsche market shares were roughly stable compared to the year 2007. Seat market share increased supported by the Seat Ibiza Ecomotive launched at the end of 2007.

The light commercial vehicles market amounted to 38,006 new registrations in the first half of 2008, roughly stable compared to the first half of 2007. D’leteren Auto achieved 9.10% market share (8.93% for the full year 2007) supported by demand for the T5 model.

Total new vehicles, including commercial vehicles, delivered by D’leteren Auto, were slightly down 2.8% at 68,632 units in the first half of 2008. New vehicle sales were down 2.2% to EUR 1,243.6 million.

##### **Other activities**

Used car sales amounted to EUR 56.0 million, up 3.5%.

Sales of spare parts and accessories were up 1.8% to EUR 73.7 million.

After-sales activities by D’leteren Car Centers were up 5.2% to EUR 26.5 million.

Sales of D’leteren Lease, active in long-term car rental of D’leteren Auto brands, increased by 13.8% to EUR 70.0 million.

Sales of D’leteren Sport, mainly Yamaha motorbikes, quads and scooters were down 18.2% to EUR 30.2 million due to lower volumes and a less favourable product mix. Yamaha’s market share was down at 15.13% (16.86% for the full year 2007).

## Results

Current operating result amounted to EUR 67.4 million, down 7% compared to the record result of EUR 72.5 million in the first half of 2007, mainly as a result of the slight sales decline and the increase of marketing costs linked to the Brussels' Car Show. However, compared to the previous car show year 2006, current operating result was up 8.4% (2006: EUR 62.2 million).

Total net finance costs amounted to EUR 13.6 million (2007: EUR 15.8 million). Excluding re-measurements of financial instruments (mainly interest rate swaps) at fair value, current net finance costs amounted to EUR 13.8 million (2007: EUR 12.3 million), as a result of higher interest rates.

The current result before tax, group's share, amounted to EUR 53.5 million compared to EUR 59.8 million in the first half of 2007.

### 1.2. Outlook 2008

The Belgian automobile market is now expected to be roughly flat year-on-year at around 520,000 new car registrations. In this context, D'leteren Auto is now expecting a stable market share at around 20%.

## 2. Vehicle glass repair and replacement – Belron s.a.

- External sales up 7% comprising 6% organic growth and 7% acquired growth offset by 6% adverse currency translation impact
- Current operating result up 8.2%
- Current result before tax, group's share, up 11.9% to EUR 54.4 million
- Acquired growth mostly in the USA, which are performing well ahead of original expectations
- US Diamond Glass acquisition completed 30 June 2008
- Continued organic sales growth anticipated in H2

IFRS, EUR million	H1 2008			H1 2007			% change	
	Current items	Unusual items and re-measurements	Total	Current items	Unusual items and re-measurements	Total	Current items	Total
Total jobs (in million units)	-	-	4.6	-	-	4.2	-	11.0%
External sales	1,068.9	-	1,068.9	995.0	-	995.0	7.4%	7.4%
Operating result	86.9	-1.4	85.5	80.3	-6.3	74.0	8.2%	15.5%
Net finance costs	-16.6	1.3	-15.3	-16.1	-1.7	-17.8	3.1%	-14.0%
Current result before tax	70.3	-	-	64.2	-	-	9.5%	-
Current result before tax, group's share	54.4	-	-	48.6	-	-	11.9%	-

*Note* : The average shareholding used for consolidation of the result of Belron is 77.38% (76.42% in H1 2007).

### 2.1. Activities and results

For the first half of 2008, Belron sales grew by 7% to EUR 1,068.9 million, consisting of 6% organic growth and 7% acquired growth offset by a currency translation impact of 6%, mainly due to the strength of the Euro against the US dollar and GB pound. Total repair and replacement jobs grew by 11% to 4.6 million.

In Europe, after both acquisitions and currency translation, sales growth amounted to 2% which comprised growth of 6% offset by an adverse currency impact of 4% due to the weak GB pound. The sales growth was delivered through increased radio advertising and by maintaining close relationships with insurers and fleet partners.

Outside Europe, after both acquisitions and currency translation, sales growth amounted to 16%. This comprised 18% due to the acquisition of Safelite Group, Inc., which, in 2007, was effective only from the beginning of March, as well as organic growth of 6%. There was an offsetting currency impact of 8% due to the weak US dollar. The US integration has been completed and the business is now focussed on implementing and sharing best practices with the rest of Belron.

On 30 June 2008 Belron completed the purchase of Diamond Glass, headquartered in Kingston Pennsylvania. Diamond Glass operates 216 branches across the US employing circa 1,600 staff. Diamond Glass filed for protection under Chapter 11 of the US Bankruptcy Code on 1<sup>st</sup> April this year and the business was put up for sale under a S363 process. Belron has already commenced the integration of Diamond Glass into its existing US business.

The current operating result amounted to EUR 86.9 million against EUR 80.3 million in the first half of 2007.

The increase in operating result is largely attributed to sales increases across the portfolio of businesses together with operational efficiency gains. The investment in marketing costs, particularly radio, and branch expansion in order to drive sales offset market declines as a result of a mild winter.

Net finance costs amounted to EUR 15.3 million compared to EUR 17.8 million in the first half of 2007. Before re-measurements resulting from the changes in fair value of derivatives, current net finance costs increased from EUR 16.1 million in the first half 2007 to EUR 16.6 million due to additional borrowings used to finance the Safelite purchase offset by improved working capital.

Current result before tax, group's share, rose by 11.9% to EUR 54.4 million (2007: EUR 48.6 million).

## 2.2. Outlook 2008

The outlook for the remainder of the year is for continued organic sales growth as Belron remains committed to delivering outstanding service to its customers, its key insurance and fleet partners, and improving its operational efficiency. The impact of the Diamond Glass acquisition will be minimal on the second half operating profit during the initial integration phase. The investment required to close branches and merge the Diamond Glass back office functions into existing operations is currently under review.

## 3. Short-term car rental – Avis Europe plc

- **Continued volume growth (up 2.3%), despite the weaker economic environment, supported by well-balanced geographical spread**
- **Further improvement in rental revenue per day (up 0.2% at reported currency – up 2.0% at constant currency) benefiting from detailed revenue management actions**
- **Strong performance by Licensees**
- **Currency translation gains offset by exchange rate impacts on trading**
- **Higher first half seasonal loss, reflecting increased fleet costs mainly due to weak used car markets in Spain and the UK and the prior year period benefiting from property disposals**
- **Non-fleet costs tightly controlled**
- **External sales up 2.7% to EUR 619.4 million**
- **Current operating result down 12.2% to EUR 25.1 million**
- **Current result before tax, group's share, down from EUR -1.3 million to EUR -5.6 million**

IFRS, EUR million	H1 2008			H1 2007			% change	
	Current items	Unusual items and re-measurements	Total	Current items	Unusual items and re-measurements	Total	Current items	Total
Excluding the discontinued business in Greece								
External sales	619.4	-	619.4	603.1	-	603.1	2.7%	2.7%
Operating result	25.1	-11.4	13.7	28.6	-20.1	8.5	-12.2%	61.2%
Net finance costs	-34.5	2.9	-31.6	-30.8	3.4	-27.4	12.0%	15.3%
Current result before tax	-9.4	-	-	-2.2	-	-	-327.3%	-
Current result before tax, group's share	-5.6	-	-	-1.3	-	-	-330.8%	-

*Note: The average shareholding used for consolidation of the result of Avis Europe is 59.84% (59.62% in H1 2007). In addition to the unusual items and re-measurements recognised by Avis Europe, D'Ieteren includes the amortisation of the Avis licence rights for EUR 10.7 million (already fully amortised in the accounts of Avis Europe).*

*The following extracts are taken from the press release issued by Avis Europe plc on 28 August 2008 (full version of the press release available on Avis Europe website: [www.avis-europe.com](http://www.avis-europe.com)).*

### 3.1. Activities and results

“Despite the difficult economic environment and weak used car markets, Avis Europe continued to make solid underlying trading progress. Avis Europe improved customer acquisition and loyalty, whilst very detailed revenue management actions helped achieve a further improvement in rental revenue per day.

Total revenue from continuing operations grew 2.7% to EUR 620.7 million. Revenue from continuing operations in the Avis corporately-owned business segment was 2.0% ahead of the comparative period at EUR 577.3 million at reported currency and was 4.0% higher on a constant currency basis. This improvement in revenue was across all countries, with the exception of Spain and Portugal where the weaker economic environment affected business levels. Billed days increased by 2.3%, primarily reflecting a higher number of rentals. Rental length was slightly ahead due to further growth in Insurance/Replacement business. Rental revenue per day was ahead by 0.2% on a reported currency basis. On a constant currency basis, rental revenue per day improved by 2.0%, continuing to benefit from a strong operational focus and, in particular, revenue management actions, which helped achieve good gains during Easter and the extended skiing season.

Overall revenue from Licensee countries grew by 16.0% with good growth from most regions and the benefit from the licensing of the group's operation in Greece from July 2007. Excluding Greece, licensee growth was 11.7%.

Budget Corporate revenue of EUR 20.1 million was 6.9% ahead of the comparative period as the turnaround strategy continues to deliver results. Budget Licensee revenue of EUR 5.9 million was 37.2% ahead of the comparative period.

Underlying operating profit from continuing operations was EUR 25.1 million (2007: EUR 28.6 million). Underlying operating margin on continuing operations was 4.0%, being 0.7% points lower than the comparative period. This decrease primarily reflects higher fleet and selling costs. Fleet costs were up EUR 17.3 million or 8.6%, due to the impact of the weaker used car markets in Spain and the UK (also affecting utilisation); anticipated fleet inflation; and the higher rental volumes. This was offset by savings in damage and insurance costs together with the foreign exchange translation benefit of fleet cost in the UK. Selling costs were 4.1% higher, mainly due to further investment in e-commerce.

Despite higher market rates, which were largely hedged, the underlying effective finance rate on continuing operations reduced to 6.5% in 2008 (2007: 6.8%) due to a reduction in average cash deposits. However, higher average net debt (mainly due to the increase in the average value of the fleet, together with changes in fleet working capital) resulted in underlying net finance costs on continuing operations increasing by EUR 3.7 million in 2008 to EUR 34.5 million (2007: EUR 30.8 million).

Net exceptional charges before taxation of EUR 0.4 million were incurred in the period. Restructuring costs of EUR 1.9 million in the period were in respect of a redundancy programme that commenced in December 2007. In the prior period, the group incurred restructuring costs of EUR 3.3 million in connection with the final elements of an organisational and overhead restructuring programme that commenced in late 2005. During the current and prior periods, the activities associated with the closure of the Centrus credit hire business were more successful than previously anticipated. The group therefore partially reversed provisions recognised in prior periods, resulting in a further exceptional credit of EUR 0.2 million (2007: EUR 0.4 million). In the prior year the group disposed of its subsidiary in Greece. The group has recognised an exceptional credit of EUR 1.3 million in the current period to reflect the final settlement of a warranty provision. In the prior period, a goodwill impairment charge of EUR 7.1 million reduced goodwill to estimated fair value.

### 3.2. Outlook 2008

Avis Europe now expects more limited volume growth in the second half, reflecting prevailing economic conditions. July and August to date revenues were in line with the comparative period and slightly below expectations. However, as the relatively high proportion of leisure business seasonally reduces, Avis Europe expects more stable revenue trends in the Corporate and Insurance/Replacement segments. Furthermore, whilst Avis Europe still anticipates an improvement in rental revenue per day, this will be less than previously expected and against a stronger comparative. In response to this more difficult trading environment, further actions are being undertaken to reduce costs.

Overall, therefore at this stage Avis Europe's current expectations for the full year underlying result remain unchanged. The key risks to meeting the full year target are a further fall in residual values and, more generally, a material worsening of the economic environment."

*End of extracts.*

In light of the recent evolution of the stock markets and of the share price of Avis Europe plc, the board of directors of D'leteren s.a. has reviewed the value of its subsidiary's assets in the Group's consolidated accounts. Considering the turnaround actions undertaken by Avis Europe's new CEO and executive team, the expected performance improvement of the company in the medium term and the levels of performance achieved by comparable sector players, the board of directors has decided that an impairment of the value of its subsidiary's assets in the Group's consolidated accounts was not appropriate.

## **OUTLOOK FOR FY 2008 CURRENT CONSOLIDATED RESULT BEFORE TAX, GROUP'S SHARE**

Based on the current outlook for the three activities of the Group, and absent significant unforeseen events, D'leteren maintains its forecast for 2008 of a roughly stable current consolidated result before tax, group's share.

### **Auditor's Report**

*"We have conducted a limited review of the half-year consolidated financial information for the period ended 30 June, 2008. Total balance sheet amounted to EUR 6,083.2 million and result attributable to equity holders of s.a. D'leteren n.v. amounted to EUR 87.3 million. This limited review consisted principally of analysis, comparison and discussions of the financial information and therefore was less extensive than an audit, the purpose of which is to form an opinion on the financial statements taken as a whole. This review did not disclose any elements that would have required significant corrections in the half-year consolidated financial information." SC DELVAUX FRONVILLE SERVAIS ET ASSOCIÉS*

### **D'leteren**

*D'leteren is an international group, active in three 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® and AUTOGLASS® brands in Europe and SAFELITE AUTOGLASS®, LEBEAU®, DURO® in North America;*
- short-term car rental in Europe, Africa, the Middle East and Asia through Avis Europe plc and the Avis and Budget brands.*

*D'leteren and its activities are present in 120 countries on 5 continents serving more than 17 million customers a year.*

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**Interim financial report 2008 is available  
on the Company website or can be obtained on request.**

### **Forward looking statements**

*This document contains forward-looking information that involves risks and uncertainties, including statements about D'leteren's plans, objectives, expectations and intentions. Readers are cautioned that forward-looking statements include known and unknown risks and are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of D'leteren. Should one or more of these risks, uncertainties or contingencies materialise, or should any underlying assumptions prove incorrect, actual results could vary materially from those anticipated, expected, estimated or projected. As a result, D'leteren does not assume any responsibility for the accuracy of these forward-looking statements.*

<sup>1</sup> Result attributable to equity holders of D'leteren, as defined by IAS 1.

[End of press release](#)