

Press Release

Monday, 1 September 2003
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2003 HALF-YEAR RESULTS

- Current result after taxes¹, group's share, 25.2% lower at EUR 40.3 million
- Current result after taxes¹, group's share
 - for automobile distribution : stable at EUR 22.4 million; the decrease in sales volumes was partly offset by improvement of the mix of activities and products
 - for car rental : 72.2% lower at EUR 6.4 million impacted by Iraq conflict and weaker pricing environment
 - for vehicle glass : up 36.9% to EUR 11.5 million due to sustained growth of activities in Europe

¹ Before amortisation of consolidation differences

Consolidated results of the D'leteren group

in EUR million	30/06/03	30/06/02	var.
Revenue	1,480.5	1,602.3	- 7.6%
Operating result	76.7	116.0	- 33.9%
Financial result	- 56.4	- 55.2	
<i>Financial result before amortisation of consolidation differences</i>	<i>- 41.0</i>	<i>- 40.2</i>	
<i>Amortisation of consolidation differences – Avis Europe</i>	<i>- 15.4</i>	<i>- 15.0</i>	
Current result before taxes	20.3	60.8	- 66.6%
Extraordinary result	4.0	-	
Result before taxes	24.3	60.8	- 60.0%
Taxes	- 7.2	- 15.4	
Result of companies accounted for using the equity method	8.1	6.5	
<i>Current result</i>	<i>14.9</i>	<i>11.3</i>	
<i>Extraordinary result</i>	<i>0.1</i>	<i>1.2</i>	
<i>Amortisation of consolidation differences – Dicobel / Belron</i>	<i>- 6.9</i>	<i>- 6.0</i>	
Consolidated result	25.2	51.9	- 51.4%
Minority interests' share in net result	- 0.7	11.1	
Net result, group's share	25.9	40.8	- 36.5%

Calculation of the current result after taxes¹, group's share

in EUR million	30/06/03	30/06/02	var.
Net result, group's share	25.9	40.8	- 36.5%
Elimination of the extraordinary result after taxes ² , group's share	- 1.5	- 1.2	
Elimination of the amortisation of consolidation differences ³ , group's share	15.9	14.3	
Current result after taxes¹, group's share	40.3	53.9	- 25.2%
<i>of which Automobile distribution⁴</i>	<i>22.4</i>	<i>22.5</i>	<i>- 0.4%</i>
<i>Car rental¹</i>	<i>6.4</i>	<i>23.0</i>	<i>- 72.2%</i>
<i>Vehicle glass^{1, 4}</i>	<i>11.5</i>	<i>8.4</i>	<i>+ 36.9%</i>

The automobile distribution activities (D'leteren Auto) and the short-term car rental activities (Avis Europe) are fully integrated in the D'leteren accounts. The vehicle glass activities (Dicobel / Belron) are accounted for using the equity method.

Development of the consolidated results

D'leteren's revenue amounted to EUR 1,480.5 million, down 7.6%. The operating result was 33.9% lower at EUR 76.7 million. The net financial costs before amortisation of consolidation differences remained stable at EUR 41.0 million. D'leteren registered in its accounts a net extraordinary income before taxes of EUR 4.0 million. Taxes came from EUR 15.4 million to EUR 7.2 million for the first half of 2003. The net result, group's share, amounted to EUR 25.9 million, down 36.5%. The current result after taxes, group's share, before amortisation of consolidation differences, was 25.2% lower at EUR 40.3 million.

Segment information

- **Automobile distribution – D'leteren Auto**

In EUR million	30/06/03	30/06/02	var.
Revenue	953.2	1,044.0	- 8.7%
Operating result	30.6	34.0	- 10.0%
Current result after taxes ⁴ , group's share	22.4	22.5	- 0.4%

D'leteren Auto's revenue amounted to EUR 953.2 million for the first half of 2003, down 8.7%⁵, largely due to lower sales volumes in new and used vehicles.

On the new car market that decreased by 10.2%, the makes distributed by D'leteren Auto achieved a registration share of 17.1% for the first half of 2003, down on the 2002 figure (17.8%). The number of new vehicles invoiced, including commercial vehicles, fell by 14.4% at 46,936 units.

The impact on revenue of the decrease in sales volume was however limited by the 5.9% increase in the average revenue per vehicle sold, thanks to the higher share of top of the range vehicles in the mix of products.

The operating result amounted to EUR 30.6 million, down by only 10.0%. It has instead remained relatively stable at 3.2% of revenue (compared with 3.3% in 2002). This results from an improvement in the mix of activities and products, by a promotional policy that puts the emphasis on upgrading equipment rather than on the granting of price reductions, by a strong control on costs and by the absence of non recurring costs that had impacted the result of the first half of 2002.

The net financial costs⁴ came from EUR 3.7 million to EUR 2.8 million, mainly due to a reduction in interest rates. The current result after taxes⁴, group's share, amounted to EUR 22.4 million (EUR 22.5 million in 2002).

Prospects for 2003. The new car market should witness a slight upturn during the second half and record 440,000 registrations for the full year. The launch, in the middle and at the end of this year, of new models that generate high volumes should allow the makes distributed by D'leteren Auto to achieve a registration share of nearly 18% for 2003. Revenue should consequently increase during the second half-year, compared with last year. Following the ongoing promotional campaigns and the costs associated with the launch of the new models, results for second half-year should be lower than in 2002.

The adaptation of the networks in line with new European regulations and with the specialised distribution policy of the makes within the Volkswagen group is ongoing. The aim is to optimise their operational efficiency, and as from the end of September, this will lead to a reduction in the number of dealers, spread over three years. Furthermore, the project to restore the competitiveness of the Volkswagen and Audi agencies in Brussels is currently being examined with the personnel representatives.

- [Car rental – Avis Europe \(see attached the full version of the Avis Europe press release\)](#)

Note: the average shareholding used for the consolidation of Avis Europe is 59.60% compared with 56.60% for the first half of 2002, following the acquisition of Avis Europe shares during the second half of 2002.

in EUR million	30/06/03	30/06/02	var.
Revenue	527.3	558.3	- 5.5%
Operating result	46.1	82.0	- 43.7%
Current result after taxes ¹ , group's share	6.4	23.0	- 72.2%

As previously announced, first half results were significantly affected by the Iraq conflict and continuing weak economic conditions in Europe. Billed days recorded a slight 1.7% increase over prior year as leisure rentals improved in the second quarter and the benefits flowed from the acquisition of a French licensee earlier in the year, but demand in corporate segment and long haul travel remained constrained. Prices have been under pressure in a weaker market. Consequently, revenue was 5.5% lower at EUR 527.3 million, including EUR 7.4 million in respect of the Budget business acquired in March 2003 and some EUR 6 million from the French licensee acquisition. Excluding both acquisitions and adverse effect of exchange rates, revenue was 6.4% lower than prior year.

The improvement in fleet utilisation and staff productivity partly limited the impact of weaker pricing on the operating result. Including the anticipated EUR 2.4 million Budget loss, the operating result amounted to EUR 46.1 million, down 43.7%.

Net financial costs, before amortisation of consolidation differences, came from EUR 29.8 million to EUR 31.6 million largely due to the greater use of bond financing since the prior year.

A net extraordinary income of EUR 3.8 million has been recorded, resulting from a VAT repayment in respect of prior periods and the costs from restructuring programmes and from Budget integration.

The contribution of Avis Europe to the current result after taxes¹, group's share, amounted to EUR 6.4 million, down by 72.2% against the first half of 2002.

Consequently and as announced last June, Avis Europe has decided to reduce its interim dividend to 1.3 pence per share (2.0 pence in 2002).

Prospects for 2003. Summer trading has met expectations, with some improvement in the monthly trend of leisure prices. Whilst the corporate market has stabilised, Avis Europe is not yet assuming any near-term marked recovery in demand and pricing in this segment. The company expects full year revenue, excluding Budget, to be 4 to 7% lower than 2002 in line with its trading update in June. Avis Europe has not changed its expectations for full year earnings.

Budget of which the integration will continue during the second half, will launch its development programme in the fourth quarter of 2003, aiming at establishing a corporate European network of approximately 100 stations over the next five years, with an overall ambition for this to represent around 10% of Avis Europe's revenue. Furthermore, the project of centralising the administrative and accounting tasks in a shared services centre in Budapest is making headway. Germany and Belgium will be the first two countries to take advantage of these new services as from the first quarter of 2004.

- Vehicle glass – Dicobel / Belron

Note : Dicobel, a subsidiary of D'leteren (70%) and Cobepa (30%), has an 80.93% interest in Belron, which operates under CARGLASS®, AUTOGLASS®, and other brands. The indirect shareholding of D'leteren in Belron is 56.65%.

in EUR million	30/06/03	30/06/02	Var.
Revenue	530.5	487.5	+ 8.8%
Operating result	46.6	38.3	+ 21.7%
<i>of which Belron</i>	46.8	38.3	+ 22.2%
<i>Dicobel s.a.</i>	-0.2	-	
Share of D'leteren in the current result after taxes^{1,7} of the Dicobel group	15.6	12.1	+ 28.9%
<i>of which Belron</i>	15.5	11.8	+ 31.4%
<i>Dicobel s.a.</i>	0.1	0.3	
Financial result after taxes linked to the investment	- 4.1	- 3.7	
Contribution of the Dicobel group in the current result after taxes^{1,7}, share of D'leteren	11.5	8.4	+ 36.9%

Belron continued to deliver strong revenue growth in the first half of 2003 with revenue up 8.8% to EUR 530.5 million. Such revenue growth reflects an 8.6% like-for-like growth at constant exchange rates, a 3.9% growth from the new Swedish and Italian subsidiaries acquired in the first half of 2002, and a 3.7% adverse effect of exchange rates. Total repair and replacement jobs increased from 2.1 million in the first half of 2002 to 2.4 million in 2003, an increase of 14%, with the business exceeding 100,000 jobs in a single week for the first time.

At constant exchange rates, Belron experienced double-digit growth in its three largest business units, the UK, France and Germany, on the back of successful advertising campaigns supported by a continued focus on outstanding customer service. Growth in the emerging European markets, including Spain and Portugal, was in excess of 20%. After exchange rate effects as well as acquisitions, revenue growth in Europe was up 13.6% over prior year.

Outside Europe, revenues for the first half of 2003 were down 9.9% at current exchange rates, 5.9% at constant exchange rates, due to difficult market conditions in Australia and Canada. The Canadian turnaround plan, launched at the beginning of the year is delivering increased market share but has been unable to offset the short term market declines. Management intend to accelerate their plans to mitigate the adverse market impact.

Driven by revenue growth together with operational productivity improvements and purchasing rationalisation, the operating result reached EUR 46.8 million, up 22.2% on 2002. This result takes into account costs associated with the continued development of the group's integrated IT platform - EUR 3.9 million in the first half of 2003 against EUR 0.8 million in 2002, the additional costs of twenty new branches since June 2002 as well as an increase in marketing expenditures.

Net financial costs before amortisation of consolidation differences fell slightly to EUR 15.9 million, due to a lower average debt level.

Belron continued its geographic expansion with the signing of a new franchise agreement in Poland in February 2003 bringing the total number of franchisees to eight and representing the largest single franchisee.

Prospects for 2003. In July 2003 Belron acquired the largest specialist operator in the Norwegian vehicle glass repair and replacement market, enhancing its position in Scandinavia. Norway's vehicle park exceeds 2.5 million vehicles. Belron now operates in 25 countries throughout the world.

Belron's revenue growth should continue at a similar pace during the second half of 2003. Earnings will reflect margin and productivity gains as well as costs associated with the implementation of the IT system in France during the last quarter of 2003.

Results per share

In EUR	30/06/03	30/06/02	Var.
Current result after taxes^{1, 6}, group's share	7.2	9.6	- 25.2%
<i>of which Automobile distribution⁴</i>	<i>4.0</i>	<i>4.0</i>	<i>- 0.4%</i>
<i>Car rental¹</i>	<i>1.1</i>	<i>4.1</i>	<i>- 72.2%</i>
<i>Vehicle glass^{1,4}</i>	<i>2.1</i>	<i>1.5</i>	<i>+ 36.9%</i>
Net result⁶, group's share	4.6	7.3	- 36.5%

Prospects 2003 for the D'leteren group

Based on expected trends in its three activities, full year current result after taxes¹, group's share, is expected to decline by a slightly higher percentage than in the first half.

Auditor's Report

« In accordance with the audit mission for s.a. D'leteren n.v., I carried out a limited review of the consolidated and non-consolidated situation of the company as per 30 June 2003 in accordance with the recommendations of the "Institut des Réviseurs d'Entreprises". The examination consisted principally of analysing, comparing and discussing the financial information communicated to me and was therefore less extensive in scope than a full audit of the annual accounts. It did not reveal any elements requiring significant amendment to the interim statements, as determined by the accounting principles used by company in drawing up its annual accounts ». Gérard Delvaux.

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- 1 Before amortisation of consolidation differences
 - 2 Including the group's share in the net extraordinary income after taxes of the automobile distribution activity (EUR 0.1 million against EUR 0.0 million for the first half of 2002), of the car rental activity (EUR 1.3 million against EUR 0.0 million for the first half of 2002) and the vehicle glass activity (EUR 0.1 million against EUR 1.2 million for the first half of 2002).
 - 3 Associated with the car rental activity (EUR 9.0 million against EUR 8.3 million for the first half of 2002) and the vehicle glass activity (EUR 6.9 million against EUR 6.0 million for the first half of 2002).
 - 4 After allocation of a financial result after taxes of EUR 4.1 million (EUR 3.7 million for the first half of 2002) associated with the investment of D'leteren in the vehicle glass segment, or a financial charge of EUR 6.6 million (EUR 6.7 million a year previously) and a tax credit of EUR 2.5 million (EUR 3.0 million one year previously).
 - 5 Revenue decrease is higher than announced in the press release of 25 June 2003, due to an omission of intra-company revenue elimination (with no impact on results) resulting from a change of IT systems.
 - 6 Calculated on the basis of the number of shares in circulation at the end of the period, adjusted to take into account the 500,000 participating shares each granting a right to 1/8 of the ordinary dividend, or 5,592,760 against 5,592,741 at the end of the first half of 2002.
 - 7 After elimination of a financial result between D'leteren and Dicobel (EUR 3.2 million against EUR 2.9 million for the first half of 2002).

Appendixes

D'Ieteren Consolidated balance sheet as at 30 June 2003

	30 June 2003	31 Dec. 2002	30 June 2002
<u>ASSETS</u>			
FIXED ASSETS	3 159.5	2 749.2	2 965.4
Intangible fixed assets	1.5	1.4	0.6
Consolidation differences	777.6	757.2	771.1
Tangible fixed assets	2 069.4	1 685.9	1 898.5
Financial fixed assets	311.0	304.7	295.2
CURRENT ASSETS	1 060.5	1 057.8	1 158.1
Stocks	242.0	230.7	203.4
Amounts receivable within one year	756.8	738.3	910.5
Investments	21.3	37.4	11.9
Cash at bank and in hand	28.6	43.0	20.0
Deferred charges and accrued income	11.8	8.4	12.3
TOTAL ASSETS	4 220.0	3 807.0	4 123.5
<u>LIABILITIES</u>			
NET WORTH	1 128.3	1 121.3	1 118.9
Capital and reserves - share of D'Ieteren	794.6	772.3	752.3
Minority interests	333.7	349.0	366.6
PROVISIONS AND DEFERRED TAXES	154.5	151.2	151.8
CREDITORS	2 937.2	2 534.5	2 852.8
Amounts payable after one year			
Financial debts	1 160.8	1 147.6	714.9
Other amounts payable	2.1	0.0	0.0
Amounts payable within one year			
Financial debts	663.5	592.5	1 123.7
Other amounts payable	1 061.4	767.2	962.5
Accrued charges and deferred income	49.4	27.2	51.7
TOTAL LIABILITIES	4 220.0	3 807.0	4 123.5
Net financial debt	1 714.3	1 574.6	1 712.4
of which :			
Automobile distribution	434.9	461.4	406.1
Car rental	1 279.4	1 113.2	1 306.3

D'Ieteren
Segment income statement
as at 30 June 2003

	30 June 2003			30 June 2002		
	Automobile distribution	Car rental	Group	Automobile distribution	Car rental	Group
Revenue	953.2	527.3	1 480.5	1 044.0	558.3	1 602.3
Cost of sales	(845.3)	(278.0)	(1 123.3)	(929.7)	(274.7)	(1 204.4)
Gross margin	107.9	249.3	357.2	114.3	283.6	397.9
Commercial and administrative charges	(77.3)	(203.2)	(280.5)	(80.3)	(201.6)	(281.9)
Operating profit	30.6	46.1	76.7	34.0	82.0	116.0
Financial result	(9.4)	(47.0)	(56.4)	(10.4)	(44.8)	(55.2)
Financial income	2.3	2.4	4.7	2.3	1.5	3.8
Financial charges ⁽¹⁾	(11.7)	(34.0)	(45.7)	(12.7)	(31.3)	(44.0)
Amortisation of consolidation differences	0.0	(15.4)	(15.4)	0.0	(15.0)	(15.0)
Profit on ordinary activities before taxes	21.2	(0.9)	20.3	23.6	37.2	60.8
Extraordinary income	0.2	3.8	4.0	0.0	0.0	0.0
Profit before taxes	21.4	2.9	24.3	23.6	37.2	60.8
Taxes	(2.5)	(4.7)	(7.2)	(4.5)	(10.9)	(15.4)
Profit of the consolidated enterprises	18.9	(1.8)	17.1	19.1	26.3	45.4
Share in the result of the enterprises accounted for using the equity method	8.7	(0.6)	8.1	7.2	(0.7)	6.5
Current result	15.5 ⁽²⁾	(0.6)	14.9	12.0	(0.7)	11.3
Extraordinary result ⁽⁴⁾	0.1	0.0	0.1	1.2	0.0	1.2
Amortisation of consolidation differences ⁽⁴⁾	(6.9)	0.0	(6.9)	(6.0)	0.0	(6.0)
Consolidated profit	27.6	(2.4)	25.2	26.3	25.6	51.9
Share of minority interests in the result	0.4	(1.1)	(0.7)	0.2	10.9	11.1
Share of the group in the result	27.2	(1.3)	25.9	26.1	14.7	40.8
Current result after taxes - share of D'Ieteren ⁽¹⁾	33.9 ⁽³⁾	6.4	40.3	30.9	23.0	53.9

⁽¹⁾ Before amortisation of consolidation differences

⁽²⁾ Of which 15.6 are related to the Vehicle Glass (12.1 as at 30 June 2002)

⁽³⁾ Of which 11.5 are related to the Vehicle Glass (8.4 as at 30 June 2002)

⁽⁴⁾ Related to the Vehicle Glass

Dicobel
Consolidated balance sheet
as at 30 June 2003

	30 June 2003	31 Dec. 2002	30 June 2002
<u>ASSETS</u>			
FIXED ASSETS	758.9	773.5	772.8
Intangible fixed assets	219.0	219.0	219.0
Consolidation differences	397.7	409.6	414.3
Tangible fixed assets	120.4	123.1	117.7
Financial fixed assets	21.8	21.8	21.8
CURRENT ASSETS	295.6	268.6	275.8
Stocks	95.1	90.5	89.3
Amounts receivable within one year	151.4	138.4	143.5
Other investments and deposits	10.9	2.4	10.2
Cash at bank and in hand	37.4	36.7	32.2
Deferred charges and accrued income	0.8	0.6	0.6
TOTAL ASSETS	1 054.5	1 042.1	1 048.6
<u>LIABILITIES</u>			
NET WORTH	395.5	387.2	378.0
Capital and reserves - share of Dicobel	310.3	303.5	297.1
Minority interests	85.2	83.7	80.9
PROVISIONS AND DEFERRED TAXES	12.6	12.4	13.9
CREDITORS	646.4	642.5	656.7
Amounts payable after one year			
Financial debts	352.2	364.2	371.3
Other amounts payable	0.0	0.0	5.9
Amounts payable within one year			
Financial debts	39.5	38.6	31.7
Other amounts payable	241.4	233.1	228.7
Accrued charges and deferred income	13.3	6.6	19.1
TOTAL LIABILITIES	1 054.5	1 042.1	1 048.6
Net financial debt	343.4	363.7	360.6
of which intercompany loan	108.4	118.5	108.3

Dicobel
Segment income statement
as at 30 June 2003

	30 June 2003			30 June 2002		
	Belron	Dicobel	Group	Belron	Dicobel	Group
Turnover	530.5	0.0	530.5	487.5	0.0	487.5
Operating profit	46.8	(0.2)	46.6	38.3	0.0	38.3
Financial result	(27.2)	(0.2)	(27.4)	(26.8)	(0.2)	(27.0)
Net financial charges ⁽¹⁾	(15.9)	0.5	(15.4)	(17.0)	0.5	(16.5)
Amortisation of consolidation differences	(11.3)	(0.7)	(12.0)	(9.8)	(0.7)	(10.5)
Profit (loss) on ordinary activities before taxes	19.6	(0.4)	19.2	11.5	(0.2)	11.3
Net extraordinary income	0.2	0.0	0.2	1.7	0.0	1.7
Profit (loss) before taxes	19.8	(0.4)	19.4	13.2	(0.2)	13.0
Taxes	(9.5)	(0.1)	(9.6)	(6.0)	0.0	(6.0)
Profit (loss) of the consolidated enterprises	10.3	(0.5)	9.8	7.2	(0.2)	7.0
Share of minority interests in the result	1.7	0.0	1.7	0.7	0.0	0.7
Share of the group in the result	8.6	(0.5)	8.1	6.5	(0.2)	6.3
Current result after taxes - share of Dicobel⁽²⁾	17.5	0.2	17.7	12.7	0.5	13.2
Share of D'Ieteren in the current result after taxes of Dicobel ⁽²⁾	12.3	0.1	12.4	8.9	0.3	9.2
Financial result between D'Ieteren and Dicobel	<u>3.2</u>	<u>0.0</u>	<u>3.2</u>	<u>2.9</u>	<u>0.0</u>	<u>2.9</u>
Share of D'Ieteren in the current result after taxes of Dicobel⁽³⁾	15.5	0.1	15.6	11.8	0.3	12.1
Financial result after taxes related to the investment			<u>(4.1)</u>			<u>(3.7)</u>
Contribution of Dicobel in the current result after taxes of D'Ieteren⁽³⁾			11.5			8.4

⁽¹⁾ Before amortisation of consolidation differences

⁽²⁾ Before amortisation of consolidation differences and elimination of the financial result between D'Ieteren and Dicobel

⁽³⁾ Before amortisation of consolidation differences. and after elimination of the financial result between D'Ieteren and Dicobel