

## 2006 HALF-YEAR RESULTS

- **Current result before tax, group's share : up 35.2% to EUR 88.4 million**
  - **Automobile distribution and Corporate activities : up 87.0% to EUR 50.5 million mainly thanks to strong new vehicle sales growth in a record market**
  - **Car rental : down to EUR –1.9 million (2005 : EUR +2.4 million) mainly due to continuing competitive pricing and anticipated higher fleet cost**
  - **Vehicle glass : up 10.6% to EUR 39.8 million as a result of strong sales growth**
- **Group's share in the result for the period<sup>1</sup> up 21.1% to EUR 52.3 million, including unusual items related to the overhead restructuring programme at Avis Europe and the integration of the recent Belron acquisitions in North America**
- **Growth of FY 2006 current result before tax, group's share, now expected to exceed 15%**

### Key consolidated results

IFRS, Belron fully consolidated in EUR million	H1 2006		H1 2005 <sup>2</sup>		% change	
	Current items	Total	Current items	Total	Current items	Total
Sales	<b>2,854.1</b>	<b>2,854.1</b>	2,443.9	2,443.9	16.8%	16.8%
Operating result	<b>151.4</b>	<b>109.0</b>	127.2	107.6	19.0%	1.3%
Current result before tax, group's share	<b>88.4</b>	-	65.4	-	35.2%	-
Group's share in the result for the period <sup>1</sup>	<b>76.1</b>	<b>52.3</b>	51.7	43.2	47.2%	21.1%



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## CONSOLIDATED RESULTS

### Consolidated income statement

IFRS, Belron fully consolidated in EUR million	H1 2006			H1 2005 <sup>2</sup>			% change	
	Current items	Unusual items and re-measurements	Total	Current items	Unusual items and re-measurements	Total	Current items	Total
<b>Sales</b>	<b>2,854.1</b>	-	<b>2,854.1</b>	<b>2,443.9</b>	-	<b>2,443.9</b>	<b>16.8%</b>	<b>16.8%</b>
<b>Operating result</b>	<b>151.4</b>	<b>-42.4</b>	<b>109.0</b>	<b>127.2</b>	<b>-19.6</b>	<b>107.6</b>	<b>19.0%</b>	<b>1.3%</b>
Net finance costs	-48.9	1.4	-47.5	-45.8	0.4	-45.4	6.8%	4.6%
<b>Result before tax</b>	<b>102.5</b>	<b>-41.0</b>	<b>61.5</b>	<b>81.4</b>	<b>-19.2</b>	<b>62.2</b>	<b>25.9%</b>	<b>-1.1%</b>
Share of result of entities accounted for using the equity method	0.3	0.0	0.3	0.0	0.0	0.0	-	-
Tax expense	-14.3	6.8	-7.5	-17.8	5.4	-12.4	-19.7%	-39.5%
<b>Result from continuing operations</b>	<b>88.5</b>	<b>-34.2</b>	<b>54.3</b>	<b>63.6</b>	<b>-13.8</b>	<b>49.8</b>	<b>39.2%</b>	<b>9.0%</b>
Discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0	-	-
<b>Result for the period</b>	<b>88.5</b>	<b>-34.2</b>	<b>54.3</b>	<b>63.6</b>	<b>-13.8</b>	<b>49.8</b>	<b>39.2%</b>	<b>9.0%</b>
<b>Result attributable to:</b>								
Equity holders of D'leteren	76.1	-23.8	52.3	51.7	-8.5	43.2	47.2%	21.1%
Minority interest	12.4	-10.4	2.0	11.9	-5.3	6.6	4.2%	-69.7%
Basic earnings per share (EUR)	13.80	-4.33	9.47	9.36	-1.53	7.83	47.4%	20.9%
Diluted earnings per share (EUR)	13.74	-4.30	9.44	9.34	-1.54	7.80	47.1%	21.0%

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

IFRS, Belron fully consolidated in EUR million	H1 2006	H1 2005	% change
<b>Current result before tax</b>	<b>102.5</b>	<b>81.4</b>	<b>25.9%</b>
Share of minority interest in current result before tax	-14.1	-16.0	-11.9%
<b>Current result before tax, group's share</b>	<b>88.4</b>	<b>65.4</b>	<b>35.2%</b>

**Consolidated sales** up 16.8% to EUR 2,854.1 million.

Operating result up 1.3% to EUR 109.0 million, including EUR 42.4 million unusual costs and re-measurements for Avis Europe and Belron. Excluding these items, **current operating result** up 19.0% to EUR 151.4 million.

Net finance costs up EUR 2.1 million to EUR 47.5 million. Excluding unusual items and re-measurements, **net current finance costs** up EUR 3.1 million to EUR 48.9 million.

Result before tax down EUR 0.7 million to EUR 61.5 million. Excluding unusual items and re-measurements, **current result before tax** up 25.9% to EUR 102.5 million.

**Current result before tax, group's share** up 35.2% to EUR 88.4 million.

**Group's share in the result for the period<sup>1</sup>** up 21.1% to EUR 52.3 million. Current result after tax, group's share, up 47.2% to EUR 76.1 million.

## SEGMENT RESULTS

### 1. Automobile distribution and Corporate activities

- **New car market growth of 13.7% to a record level of 325,611 units**
- **Market share up 20.00%, thanks to Skoda, Volkswagen and Audi gains**
- **Sales up 18.9% to EUR 1,473.6 million as a result of 22.0% new vehicle sales growth**
- **Current operating result up 68.1% to EUR 62.2 million mainly due to new vehicles sales growth**
- **Current net finance costs slightly up mainly due to higher interest rates and Corporate activities**
- **Current result before tax, group's share, up 87.0% to EUR 50.5 million**
- **FY 2006 new car registrations expected to exceed 510,000 in Belgium; H2 2006 possibly lower than H2 2005**

IFRS, in EUR million	H1 2006			H1 2005			% change	
	Current items	Unusual items and re-measurements	Total	Current items	Unusual items and re-measurements	Total	Current items	Total
New vehicles delivered ( <i>in units</i> )	-	-	<b>69,461</b>	-	-	57,391	-	21.0%
External sales	<b>1,473.6</b>	-	<b>1,473.6</b>	1,239.5	-	1,239.5	18.9%	18.9%
Operating result	<b>62.2</b>	-	<b>62.2</b>	37.0	-	37.0	68.1%	68.1%
Net finance costs	<b>-11.4</b>	<b>-4.4</b>	<b>-15.8</b>	-9.7	-2.1	-11.8	17.5%	33.9%
Current result before tax	<b>50.8</b>	-	-	27.3	-	-	86.1%	-
Current result before tax, group's share	<b>50.5</b>	-	-	27.0	-	-	87.0%	-

#### 1.1. Activities and results

D'leteren Auto achieved an excellent first half of 2006. Sales grew by 18.9%, to EUR 1,473.6 million, mainly as a result of sales growth in new vehicles.

##### **New vehicles**

New car registrations in Belgium amounted for the first half 2006 to a record level of 325,611 units, up 13.7%, benefiting notably from the January Motor Show.

The makes distributed by D'leteren Auto achieved 20.00% market share in the first half, significantly up in comparison with 19.01% for the full year 2005, mainly due to Skoda, Volkswagen and Audi market share gains.

Volkswagen's growth was particularly supported by models introduced in 2005 – Jetta, Polo, Passat and Fox. New models were launched during the first half, notably CrossPolo and Eos. Skoda reached a record market share for the first half, all models being very successful. Audi increased mainly thanks to its recently renewed A6 range and the launch of the Q7. Seat's market share decreased slightly compared to the full year 2005.

The light commercial vehicles market was down 6.4% at 34,220 new registrations during the first half. D'leteren Auto achieved 9.37% market share, down compared to 9.62% for the full year 2005. It is worth noting that, in 2006, registrations of light commercial vehicles do no longer include 4WD following the new tax regulation.

Total new vehicles, including commercial vehicles, delivered by D'leteren Auto reached a record level of 69,461 units for the first half 2006, up 21.0%. New vehicles sales were up 22.0% to EUR 1,215.5 million.

##### **Other activities**

Used cars sales amounted to EUR 57.9 million, up 21.1% on a weak comparative period.

Sales of spare parts and accessories were down 1.7% at EUR 70.7 million, accessories sales being affected by higher standard equipment on new vehicles.

After-sales activities by D'leteren Car Centers were up 11.3% to EUR 23.6 million.

Sales of D'leteren Lease, the long-term rental arm of D'leteren Auto, increased by 8.0% to EUR 57.0 million.

D'leteren Sport sales, mainly Yamaha motorbikes, quads and scooters, were down 6.9% at EUR 37.5 million. Yamaha's market share was down at 19.07% compared to 19.58% for the full year 2005.

## Results

Benefiting from the strong sales growth, current operating result hit a record EUR 62.2 million, up 68.1%, despite anticipated increase in support to sales and marketing costs related to the January Motor Show. It is worth noting however that operating result in the comparative period included sales support and marketing costs relating to many new model introductions and to the Company Bicentenary.

Total net finance costs amounted to EUR 15.8 million, an increase of EUR 4.0 million, including EUR 4.4 million (EUR 2.1 million for the first half 2005) to measure financial instruments (mainly interest rate swaps) at their market value. Current net finance costs increased by EUR 1.7 million at EUR 11.4 million as a result of higher interest rates and costs linked to Corporate activities - more specifically the participation in the Avis Europe's rights issue in July 2005 - partly offset by the decrease in average debt of Automobile distribution.

Current result before tax, group's share, was up 87.0% to EUR 50.5 million (2005 : EUR 27.0 million).

### 1.2. Outlook 2006

Considering the strong growth of the new car market in the year to date, D'leteren Auto updates its full year market forecast to more than 510,000 registrations, i.e. higher than 6% growth. It is worth noting that the second half could possibly be down on the comparative period.

In this context, D'leteren Auto anticipates for the full year a market share nearing 20% and new vehicle deliveries growth of about 10%. New models launches in the second half include Audi Allroad and TT, Skoda Roomster, Seat Altea XL and Porsche 911 Targa.

## 2. Car rental – Avis Europe

- **Good first half volume growth; utilisation improvement mitigating continuing competitive pricing**
- **Sales revenue up 5.5% to EUR 614.3 million**
- **Benefits from the overhead restructuring programme ahead of expectations; selective re-investment of savings in revenue management and web development initiatives**
- **Current operating result 24.9% lower at EUR 25.0 million mainly due to anticipated higher fleet cost**
- **Lower net current finance costs mainly as a result of the rights issue of July 2005**
- **Current result before tax, group's share, lower at EUR – 1.9 million**
- **Total unusual cost of EUR 13.6 million includes lower than expected restructuring costs**
- **Overall expectations for 2006 remain broadly unchanged**

IFRS, in EUR million	H1 2006			H1 2005 <sup>2</sup>			% change	
	Current items	Unusual items and re-measurements	Total	Current items	Unusual items and re-measurements	Total	Current items	Total
External sales	614.3	-	614.3	582.3	-	582.3	5.5%	5.5%
Operating result	25.0	-21.9	3.1	33.3	-21.2	12.1	-24.9%	-74.4%
Net finance costs	-28.3	2.5	-25.8	-29.3	2.2	-27.1	-3.4%	-4.8%
Current result before tax	-3.3	-	-	4.0	-	-	-182.5%	-
Current result before tax, group's share	-1.9	-	-	2.4	-	-	-179.2%	-

*Note* : The average shareholding used for consolidation of Avis Europe is 59.64%, similar to that used for the first half 2005. In addition to unusual items and re-measurements recognised by Avis Europe, D'leteren 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 by Avis Europe plc issued on 31 August 2006 (full version of the press release available on Avis Europe website [www.avis-europe.com](http://www.avis-europe.com))

" In the first half of 2006 Group revenue was EUR 614 million, 5.5% higher than prior year. Billed days for Avis Corporate were up 5.7%, with both the number of rentals and rental length improved. Demand strengthened from Easter onwards especially in the leisure sector.

Pricing, in terms of revenue per billed day, was down 1.1%, principally as a consequence of continuing market pressures and some change in country mix. Utilisation improved by 1.3 percentage points, partly from early benefits from the Group's revenue management initiative.

Underlying<sup>3</sup> operating profit (excluding exceptional items, certain re-measurement items and economic hedges) decreased to EUR 25.0 million [...], largely due to anticipated fleet cost increases together with a shift towards more operating leases. This underlying<sup>3</sup> operating profit was in line with the trading statement made in July.

Underlying<sup>3</sup> net finance costs were EUR 1.0 million lower than the comparative period. This was mainly due to lower average net debt, largely as a result of the receipt of the rights issue proceeds in July 2005 and a greater use of operating leases. An increase in the amount of debt at fixed rates and a rise in underlying market rates resulted in a higher average finance rate of 5.7% (2005: 5.2%).

The net exceptional charge before tax of EUR 13.6 million (2005: EUR 5.8 million) was primarily due to restructuring costs announced in February 2006.

Performance in the second half should improve with continued positive volume trends and the further benefits of the recovery strategy taking effect. The effect of the overhead restructuring programme will be higher than expected in the full year. However, the Group is choosing to invest in web development and revenue management, which are both key to its margin improvement strategy.

The effect of the recent security alerts and consequent travel disruption has not been material to date, although it is too early to assess any medium term impact on travel patterns and how such changes may affect the car rental industry. [...] The Group's expectations for the underlying<sup>3</sup> result for the full year outcome remain broadly unchanged." *End of extracts.*

### 3. Vehicle glass – Belron

- **Sales : EUR 766.2 million, up 23.2% consisting of 8.9% organic growth, 13.1% acquired growth and 1.2% positive currency translation**
- **Current operating result : EUR 64.2 million, up 12.8%, due to strong sales growth**
- **Higher net current finance costs due to recent acquisitions and dividend payments**
- **Current result before tax, group's share, up 10.6% to EUR 39.8 million**
- **Unusual costs of EUR 20.7 million mainly related to the integration and transformation of recent acquisitions in North America**
- **Expected continued organic sales growth in H2; lower acquired growth due to the timing of the acquisitions made in 2005**

IFRS, in EUR million	H1 2006			H1 2005			% change	
	Current items	Unusual items and re-measurements	Total	Current items	Unusual items and re-measurements	Total	Current items	Total
Total jobs (including Brazil - in million units)	-	-	3.2	-	-	2.7	-	18.5%
External sales	766.2	-	766.2	622.1	-	622.1	23.2%	23.2%
Operating result	64.2	-20.5	43.7	56.9	1.6	58.5	12.8%	-25.3%
Net finance costs	-9.2	3.3	-5.9	-6.8	0.3	-6.5	35.3%	-9.2%
Current result before tax	55.0	-	-	50.1	-	-	9.8%	-
Current result before tax, group's share	39.8	-	-	36.0	-	-	10.6%	-

*Note : The average shareholding used for consolidation of Belron is 73.7%, similar to that used for the first half 2005.*

### 3.1. Activities and results

Belron delivered a very strong first half performance in 2006. Sales grew by 23.2% to EUR 766.2 million, consisting of 8.9% organic growth, 13.1% acquired growth and 1.2% positive currency translation. Total repair and replacement jobs grew by 18.5% to 3.2 million.

Organic sales growth was delivered in all countries through further progress with insurers and fleet partners, and effective advertising which has benefited from the successful multinational rollout of best practice advertising concepts. The Northern European businesses also benefited from favourable winter weather conditions compared to 2005.

Acquired sales growth principally arose from the recent acquisitions made in the United States and Canada. The most recent acquisition in the United States was the operations of MAVERICK AUTO GLASS, based in Phoenix, Arizona, in March 2006. Belron now operates over 100 branches in 11 US states.

Sales growth in Europe after both acquisitions and currency translation, amounted to 11.3%, contributed particularly by France, Spain, Belgium and Italy. Outside Europe, sales growth, after both acquisitions and currency translation, amounted to 73.3%, notably due to North America acquisitions.

Current operating result grew by 12.8% to EUR 64.2 million mainly due to sales increase in existing markets. Recent acquisitions contributed EUR 3.4 million to this growth.

Unusual costs before tax of EUR 20.7 million were incurred in the first half and comprise EUR 18.6 million one-off costs related to the integration and transformation programme underway in North America aimed at improving operating margins of recent acquisitions, as well as EUR 2.1 million arising from the decision to close the manufacturing operations in Australia during the second half of the year.

Net finance costs amounted to EUR 5.9 million compared to EUR 6.5 million in the first half of 2005. Net current finance costs increased to EUR 9.2 million compared to EUR 6.8 million, reflecting the higher level of debt resulting from recent acquisitions and dividend payments.

Current result before tax, group's share, grew by 10.6% to EUR 39.8 million.

### 3.2. Outlook 2006

The outlook for the remainder of the year is for continued organic sales growth. The level of acquired growth will reduce, reflecting the timing of the acquisitions made in 2005.

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

## OUTLOOK FOR FY 2006 CURRENT CONSOLIDATED RESULT BEFORE TAX, GROUP'S SHARE

Based on updated expectations for the Belgian car market and first half results, and absent significant adverse events, D'Ieteren anticipates its current consolidated result before tax, group's share, to grow by more than 15% for the full year 2006.

#### Auditor's report

*"We have conducted a limited review of the half-year consolidated financial information for the period ended 30 June, 2006. Total balance sheet amounted to EUR 5,514.2 million and result attributable to equity holders of s.a. D'Ieteren n.v. amounted to EUR 52.3 million. This limited review consisted principally of analysis, comparison and discussions of the financial information and therefore was less extensive than an audit, the purpose of which is to form an opinion on the financial statements taken as a whole. This review did not disclose any elements that would have required significant corrections in the half-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, Porsche, Yamaha and MBK;*
- *short-term car rental in Europe, Africa, the Middle East and Asia through Avis Europe plc and the Avis and Budget brands;*
- *vehicle glass repair and replacement in Europe, North and South America, Australia and New Zealand through Belron s.a. and notably its CARGLASS® and AUTOGLASS® brands.*

*D'leteren and its activities are present in 110 countries on 5 continents.*

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***Interim financial report 2006 is available on the Company website ([www.dieteren.com](http://www.dieteren.com)) 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.*

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

<sup>2</sup> As restated following application of IAS 21 revised (for further details, see note 2.1. of our Interim Financial Report available on our internet site [www.dieteren.com](http://www.dieteren.com))

<sup>3</sup> Equals "current"

[End of press release](#)