

Vehicle Glass Repair and Replacement Belron s.a.



Who we are

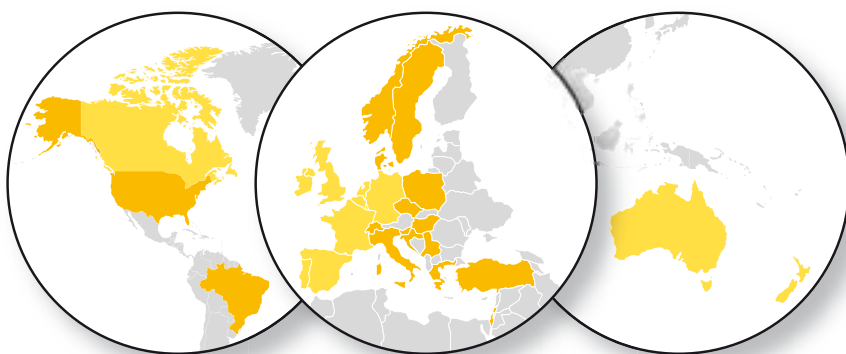
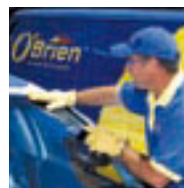
Belron is the world N°1 in vehicle glass repair and replacement (VGRR), operating in 28 countries, across 4 continents, with 1,300 branches and 4,000 service vehicles.

Belron is the owner of many of the best known brands in the industry, AUTOGLASS® in the UK, CARGLASS® across continental Europe and in Brazil, O'BRIEN® in Australia. In 2005 Belron acquired several brands including ELITE AUTO GLASS™ and AUTO GLASS SPECIALISTS® in the US and SPEEDY GLASS® and APPLE AUTOGLASS® in Canada.

What we do

For our customers: Belron offers a 24 hour repair and replacement service to ensure customers can get their damaged glass fixed quickly and easily. The mobile service enables customers to choose the most convenient location to have the work carried out.

For our partners: by managing a significant part of the claim administration and actively promoting the repair concept Belron works with virtually all the major insurance and vehicle leasing companies worldwide.



A worldwide expansion

Since 2000 Belron has entered 16 new markets

- Existing markets
- 2000: Switzerland, Greece
- 2001: Denmark, Turkey, Slovenia, Croatia
- 2002: Sweden, Italy, Czech Republic, Israel
- 2003: Norway, Brazil, Poland, Serbia-Montenegro
- 2005: Hungary, United States



People

Belron places huge importance on its employees and their continued development and training. Senior executives throughout the company participate in a development programme concentrating on a set of leadership competencies which define what excellent leadership means to Belron.

28 countries, 4 continents
1,300 branches
4,000 service vehicles



Customer first

To refine its service even further, Belron conducts no less than 250,000 customer service interviews over the course of a year. Together with informal feedback from 5 million customers, this helps set new standards for the industry as a whole.



Research and development

Belron has its own dedicated research and development centre where it pools the experience of the group's technical staff, evaluates their ideas and turns them into best practice for the entire group.

How we do it

The group achieves profitable growth by:

- **increasing sales** through organic growth, acquiring and integrating leading VGRR businesses worldwide and by franchising its brands into new markets;
- **maximising the efficiency** of its operations, centralising those parts of the business like distribution and IT where there are benefits to be gained and sharing best practice right across the group.

Belron operates via an **extensive network of corporately owned and franchised businesses** across Europe, North and South America, Australia and New Zealand. The business units operate in markets at different stages of maturity. Having a mixed portfolio enables Belron to pool experience across the group, share information and so accelerate development.



KEY FACTS

- > Sales: EUR 1,253.7 million, up 12.1% consisting of 6% like-for-like growth, 5% acquired growth and 1% currency translation.
- > Current operating result: EUR 99.2 million, up 3.2%, on a non comparable basis, due to organic sales growth and operational efficiency improvements and after inclusion, from 2005 on, of a charge for the new long-term incentive plan for management.
- > Interests savings following the refinancing in 2004.
- > Current result before tax, group's share, up 35.3% at EUR 59.8 million, including the impact of D'Ieteren's increased interest in Belron.
- > Further geographic expansion in both Europe and North America.



INCREASE OF D'IETEREN'S INTEREST IN BELRON, SIMPLIFICATION OF THE SHAREHOLDING STRUCTURE AND FIRST BELRON DIVIDEND

In January 2005, D'Ieteren s.a. purchased from Cobepa 5.5% of the capital of their subsidiary Dicobel, 81.7% shareholder of Belron, valuing the Belron equity at around EUR 690 million. Subsequently, D'Ieteren and Cobepa owned 75.5% and 24.5% respectively of Dicobel, bringing D'Ieteren's direct and indirect interest in Belron to 73.7%.

Since the simplification of the Belron shareholding structure in July 2005, D'Ieteren and Cobepa now own their respective interests of 73.7% and 20.0% directly.

Belron paid an exceptional dividend of EUR 61 million to its shareholders on 4 July, of which EUR 45 million to D'Ieteren.

ACTIVITIES AND RESULTS

Belron delivered another strong performance in 2005. Sales grew by 12.1% to EUR 1,253.7 million. Total repair and replacement jobs grew by 8.6% to 5.3 million.

Like-for-like sales grew by 6% at constant exchange rates, primarily in Europe. Geographical expansion during the year, notably in North America, added 5% and currency translation had a 1% positive impact.

In Europe, after both currency translation and acquisitions, sales grew by 7%, reflecting the continued success of the focus on customer satisfaction, key account relationships and effective advertising campaigns. Particularly strong performance came from Germany, Italy and the Benelux countries. In France, sales continued their growth trend

despite tougher market conditions resulting mainly from speed restrictions.

Outside Europe, after both currency translation and acquisitions, sales grew by 36% mainly as a result of acquisitions in North America. Sales in Australia and New Zealand grew due to the continued improvement in fulfillment, notably the call centre operations. Brazil has delivered sales growth by continuing to develop its relationships with key insurers.

Current operating result amounted to EUR 99.2 million against a non comparable EUR 96.1 million in 2004. Included in 2005 is a charge linked to the new long-term management incentive plan that replaces the previous stock option scheme. The profit increase has been delivered by sales increases across the portfolio of businesses together with operational efficiency gains. The impact on profit of the acquisitions in the year is virtually nil due to the timing of completion of the transactions late in the year.

Net finance costs amounted to EUR 12.0 million compared to EUR 28.1 million. Before re-measurements linked to the changes in fair value of derivatives, net finance cost declined by 40.1% reflecting lower net debt levels in the first half of the year and interest savings following the refinancing of Belron's debt and the reimbursement of the shareholders' loan in September 2004.

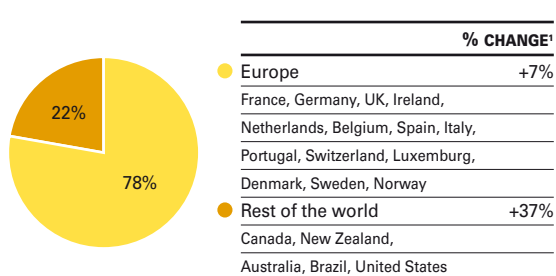
Current result before tax, group's share, rose from EUR 44.2 million to EUR 59.8 million, an increase of EUR 15.6 million reflecting the strong operating performance combined with lower financing charges and the increase in D'Ieteren's interest in Belron.

FINANCIAL HIGHLIGHTS (in EUR million)

	2005	2004	% CHANGE
Total jobs (including Brazil - in million units)	5.3	4.9	+8.6%
External sales	1,253.7	1,118.4	+12.1%
Current operating result	99.2 ¹	96.1	+3.2%
Current operating margin	7.9%	8.6%	-
Current net finance costs	-14.8	-24.7	-40.1%
Current result before tax	84.4	71.4	+18.2%
Unusual items & re-measurements, before tax	3.4	-13.2	-
Current result before tax, group's share	59.8	44.2	+35.3%

1. Including, from 2005 on, a charge for the new long-term incentive plan for management.

GEOGRAPHICAL SALES BREAKDOWN¹



1. At actual exchange rates.



OUTLOOK

- > In 2006, like-for-like sales growth should continue at a similar pace as Belron remains committed to delivering an outstanding service to its customers, its key insurance and fleet partners and improving its operational efficiency.
- > The 2005 acquisitions will be fully integrated and aligned to Belron's standards and will benefit from the group's best practice initiatives. In addition, the group will continue to look for other expansion opportunities.

KEY ACHIEVEMENTS

During 2005, Belron continued to pursue its successful strategy delivering sales growth and increased profitability.

Belron focused on delivering an outstanding, convenient service to its customers which it measures on a daily basis, serving over 5 million customers during the year. Improved call centre operations together with a continued focus on mobile service ensured that customer satisfaction remained high.

The business developed further its strong strategic relationships with insurance and fleet partners. The group remained committed to actively promoting windscreen repair as a safe and cost-effective alternative to replacement thereby generating substantial savings for its partners. In 2005, 28% of all windscreen jobs were repairs.

Belron continued its geographical expansion through acquisitions in Europe and North America. It entered the US market through three acquisitions: Elite Auto Glass Inc. and GlasPro Inc. in April, Windshields Pro Inc. in October, and Auto Glass Specialists Inc. in December. In total, these acquisitions gave Belron a network of 95 branches in 11 U.S. states. The group continued the expansion of its North American operations when it acquired the assets of the Canadian glass operations of TCG International in November. In Europe, Belron acquired the assets of Servicristal in Spain, adding a further 24 service centres in the north and central regions. In addition, the group signed in February a franchise agreement for its operations in Hungary.

In August, Belron successfully implemented its new Enterprise Resource Planning computer system in the UK, followed by Ireland in December. This is a major step forward in the implementation of the group's centralised IT strategy which has already delivered substantial benefits through reduced IT costs across the businesses.