



Dicobel
annual report 2003



Dicobel s.a.



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directors and auditor

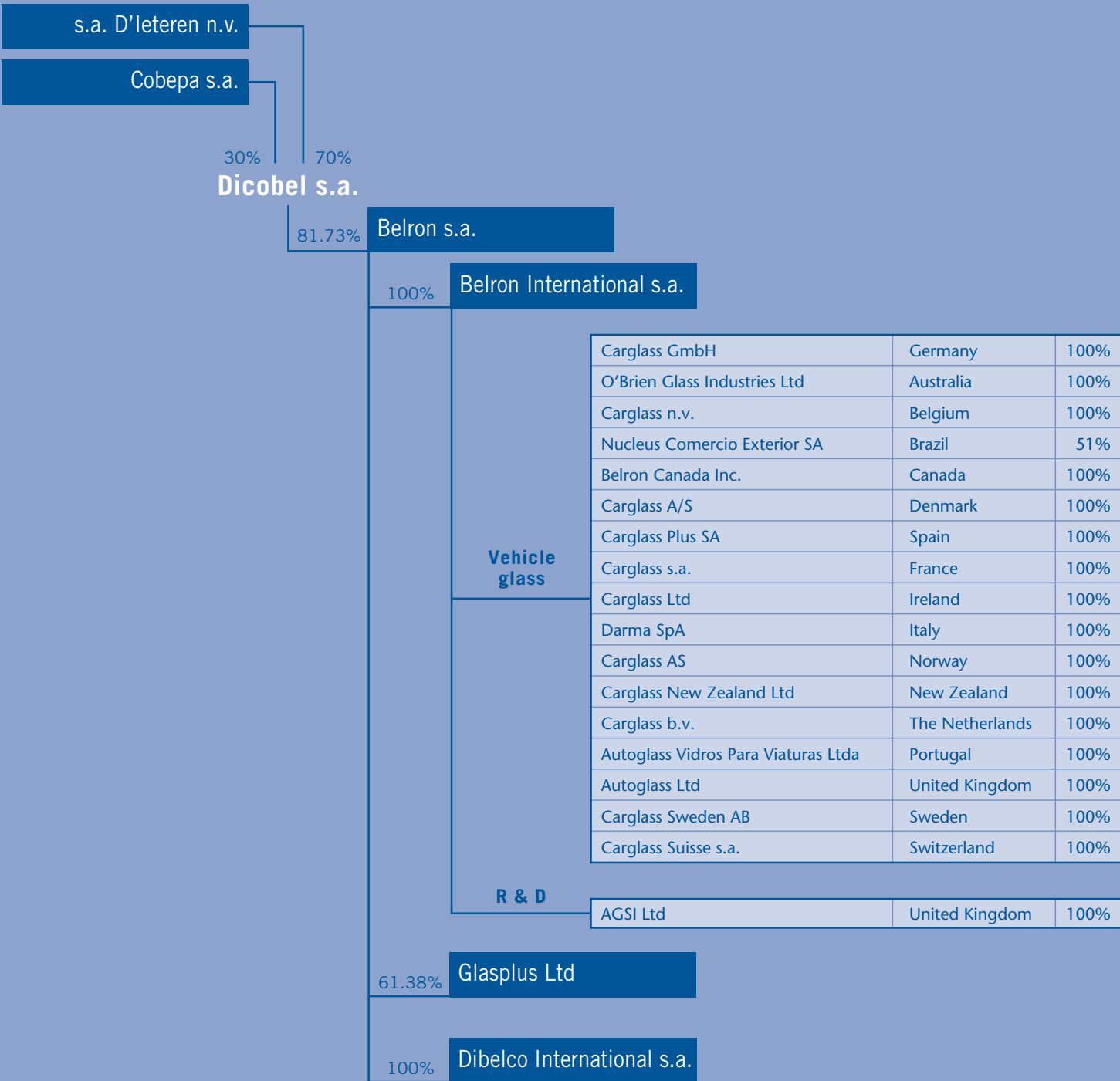
Board of Directors

Roland D'leteren	Chairman	
Jean-Pierre Bizet	Director	since 6 May 2003
Alun Cathcart	Director	up to 31 December 2003
Nicole Hardenne	Director	
Jean-Marie Laurent Josi	Director	
Gilbert van Marcke de Lummen	Director	
Maurice Périer	Director	
Alexandre Schmitz	Director	
Christian Varin	Director	

Auditor

Gérard Delvaux
Delvaux, Fronville, Servais et Associés
Reviseurs d'Entreprises
Boulevard Louis Schmidt 57
B-1040 Brussels
Belgium

group and shareholding structure



DIRECTORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENT AS AT 31 DECEMBER 2003

We have the honour to present the consolidated balance sheet, income statement and the notes to the consolidated accounts for our company as at 31 December 2003.

Comments on business trends in 2003

Activities and results of Belron

Belron delivered an excellent performance in 2003. Sales records have been broken a number of times during the year with total repair and replacement jobs increasing from 4.1 million in 2002 to 4.7 million in 2003, a growth of 14.6%.

Revenue at EUR 1,061.1 million was up 8.1% on 2002. This growth reflects an 8% like-for-like growth at constant exchange rates, a 3% growth from the new markets and a 3% adverse currency translation effect due primarily to the strength of the euro against Sterling.

Revenue growth in Europe, after both currency translation and acquisitions, was up 10% on 2002. At constant exchange rates, Belron experienced double-digit growth in its two largest markets – UK and France – where the strategic focus on customer service, key account relationships and brand development has continued to be successful, and above 25% growth in Spain and Portugal. Germany also achieved strong performance with the market gradually accepting the CARGLASS® proposition despite the historic strong relationship between the motorist and car dealers. The Netherlands and Belgium reported flat revenues and observed a decline in the body glass market associated with reductions in car crime. The new subsidiaries acquired in the first half of 2002 in Sweden and Italy - where the re-branding from AUTOGLASS® to CARGLASS® has been particularly successful - contributed favourably to the overall performance of Belron.

Outside Europe, revenue for 2003 was up 1% after currency translation and consolidation of Brazil following the conclusion of a new agreement with Belron's historical partners in August. Additional revenue from this sizeable market largely offset the revenue decline in Australia and Canada where market conditions have remained depressed.

Operating result for 2003 was EUR 82.9 million, 11.1% up on 2002. The majority of the profit improvement was due to revenue growth, particularly in the UK, France and Germany. The acquired businesses contributed EUR 2.6 million of the increase in operating profit, most notably from Italy and Brazil. Margin gains were driven by operational productivity improvements and supply chain rationalisation. This gross margin increase was partly offset by additional costs resulting from new branch openings particularly in Germany, Italy and Spain, increase in call centres costs as a consequence of extra volumes, and spend linked to the development of the integrated IT platform.

The net extraordinary costs totalling EUR 6.3 million relate mainly to restructuring of the UK supply chain and the cost reduction programmes in Australia and Canada.

Net financial costs before amortisation of consolidation differences decreased from EUR 32.7 million to EUR 30.2 million due to a lower average debt level. The tax rate on current result remained relatively stable at 28%.

Current result after taxes before amortisation of consolidation differences, share of Dicobel, rose from EUR 24.3 million to EUR 31.2 million, an increase of 28.4%.

Net result, share of Dicobel, amounted to EUR 9.1 million compared to EUR 10.1 million in 2002.

Given the negative stock exchange returns experienced in 2001 and 2002, Belron has decided to close its defined benefit plan to new entrants in UK and to replace it by a defined contribution plan (with guaranteed return).

Achievements and strategic developments of Belron

Belron continued to focus on a balance of revenue growth and operational efficiency improvement.

The Belron route to market share gain is through delivering excellent customer service. The customer satisfaction scores were at their highest ever in many markets. The investment in call centres reflects Belron's commitment to provide a convenient service offering to its customers. Finally Belron added about 10 branches to its networks in Germany, Spain and Italy. The emphasis on service extends to the relationships with key influencers and partners such as insurers and fleet companies where Belron continues to offer a full range of services including a repair first approach and claims handling. The repair first strategy substantially reduces the overall cost of claims by reducing the incidence of more expensive replacement. In 2003, 27% of all windscreens jobs were repairs compared to 26% in 2002.

During 2003, Belron continued to expand its geographic coverage. In July Belron acquired the largest specialist operator in the Norwegian vehicle glass repair and replacement market enabling the group to leverage its key account relationships in Scandinavia. Norway's vehicle park exceeds 2.5 million vehicles. In August, Belron re-entered the South American market with the conclusion of the agreement with historical partners Nucleus CARGLASS® in Brazil. The development of the franchise network continued in Eastern Europe during the year. Belron concluded a new franchise agreement in Poland in March 2003 with the country's largest distributor and fitter of vehicle glass. In December, a further agreement in Serbia Montenegro brought the number of Belron franchisees to nine.

The growth initiatives are delivering excellent results and are supported by a continued focus on profitability. At business unit level, Belron monitors productivity on a daily basis ensuring that there is an optimisation of resources to match customer demand. In addition, the group continuously measures the performance of its call centres in handling customer contacts and noted an improvement in the conversion of calls into jobs in its major markets. In Australia, Belron conducted an extensive review in order to identify

opportunities to improve profitability. This review identified significant opportunities for efficiency improvements in the supply chain and branch network operations which are now being implemented. Belron has commenced a programme to reduce headcount and to exit selected locations. In Canada Belron commenced a cost reduction programme in response to the weak market conditions.

The centralised supply chain and technical operation continues to deliver benefits in both service and cost. Belron continued to work closely with suppliers enabling improvements in delivery performance and a reduction in the level of purchases from non-core suppliers as well as an improvement in quality. Belron also continued to evaluate its internal distribution operations and the UK supply chain strategy was reviewed. In 2004 the existing UK supply businesses will be merged into a single UK supply and distribution business, operating under the LADDAW® brand in order to benefit from economies of scale.

While Belron remains committed to the strategic vision of consolidated, integrated information systems and technology, it encountered delays in the implementation of its integrated IT platform in France and the UK. As a result, Belron is reviewing the implementation plan.

Results of Dicobel

Considering the parent company Dicobel's operating loss of EUR 0.8 million (EUR 0.3 million in 2002), Dicobel group's operating result amounted to EUR 82.1 million (EUR 74.3 million in 2002).

Current result after taxes and before amortisation of consolidation differences, group's share, rose from EUR 24.9 million to EUR 31.2 million, while net result, group's share, decreased from EUR 9.4 million to EUR 8.1 million.

In December 2003, Dicobel purchased Belron shares from the minority shareholders, namely within the framework of the exercise of a sale option to which they were entitled annually until 2003. Furthermore, at the end of the period, Belron increased its capital by incorporating reserves for the exclusive benefit of its minority shareholders in application of the 1999 shareholder agreement. All of these transactions led to a net increase of 0.80% in Dicobel's share of the Belron capital, which now stands at 81.73%.

Major events after closure of the accounts

No event likely to affect the accuracy of the accounts presented has occurred following their closure.

Prospects for Belron

The Belron strategy has been highly successful to date. Belron therefore remains committed to its focus on maintaining the profitable growth trend as outlined above.

Organically, growth is expected to come from share gains in existing markets, notably France, Germany, Spain and Italy. This will be achieved through the continued drive in customer satisfaction and key account relationships supported by tailored marketing campaigns ranging from direct mailings to brand reinforcement activity. Belron will also continue to develop the network of service centres, strengthening the mobile service offering and extending opening hours. Geographic expansion will continue although the focus will be on ensuring that the recent additions in Scandinavia and Brazil are fully delivering on expectations.

Efficiency will continue to be a key driver across the group, with BELRON® Technical (previously named AGSI®) playing an important role in driving improvements in the way service is delivered. Sharing experience across the business units will have a renewed focus in 2004 to drive out opportunities resulting from the group's global scale. Belron also expects the cost reduction initiatives in Australia and Canada to deliver significant improvements in profitability.

The supply chain initiatives will involve the completion of the UK restructuring together with the relocation of the French central warehouse. Belron will continue to work with its key suppliers to improve service and eliminate unplanned purchases as well as ensuring costs are reduced.

Research and development

A review of the role undertaken by AGSI®, the Belron's research and development operation in the first half of 2003 resulted in changes to the structure and focus of its activities. This has included the appointment of a new general manager, a greater focus on fitting processes as well as technological innovation. The operation has been re-branded BELRON® Technical. Research and development expenses amounted to EUR 1.1 million (EUR 2.6 million in 2002).

Brussels, 11 February 2004

The Board of Directors

consolidated balance sheet

ASSETS (in EUR million)	NOTES	31.12.2003	31.12.2002	31.12.2001
FIXED ASSETS		735.7	773.5	711.5
II. INTANGIBLE FIXED ASSETS	VIII.	219.0	219.0	219.0
III. CONSOLIDATION DIFFERENCES	XII.	393.0	409.6	382.3
IV. TANGIBLE FIXED ASSETS	IX.	123.7	123.1	110.2
A. Land and buildings		15.8	16.4	20.2
B/C. Plant, machinery, equipment, furniture and vehicles		64.4	85.8	63.7
D. Leasing		12.5	20.9	26.3
F. Assets under construction and advance payments		31.0	-	-
V. FINANCIAL FIXED ASSETS	X.	-	21.8	-
B. Other enterprises		-	21.8	-
2. Amounts receivable and cash guarantees		-	21.8	-
CURRENT ASSETS		283.0	268.6	282.3
VII. STOCKS		97.5	90.5	84.8
VIII. AMOUNTS RECEIVABLE WITHIN ONE YEAR		151.9	138.4	134.3
A. Trade debtors		90.7	98.6	104.9
B. Other amounts receivable		61.2	39.8	29.4
IX. INVESTMENTS		0.5	2.4	24.1
B. Other investments and deposits		0.5	2.4	24.1
X. CASH AT BANK AND IN HAND		32.5	36.7	38.4
XI. DEFERRED CHARGES AND ACCRUED INCOME		0.6	0.6	0.7
TOTAL ASSETS		1,018.7	1,042.1	993.8

consolidated balance sheet

LIABILITIES (in EUR million)	NOTES	31.12.2003	31.12.2002	31.12.2001
NET WORTH		380.5	387.2	368.1
CAPITAL AND RESERVES, SHARE OF DICOBEL		314.3	303.5	288.5
I. ISSUED CAPITAL		291.4	291.4	291.4
IV. CONSOLIDATED RESERVES	XI.	17.4	9.4	0.1
V. CONSOLIDATION DIFFERENCES	XII.	1.7	-	-
VI. TRANSLATION DIFFERENCES		3.8	2.7	-3.0
MINORITY INTERESTS		66.2	83.7	79.6
PROVISIONS AND DEFERRED TAXES		15.2	12.4	15.3
IX. A. PROVISIONS FOR LIABILITIES AND CHARGES		15.2	12.4	15.3
4. Other liabilities and charges		15.2	12.4	15.3
CREDITORS		623.0	642.5	610.4
X. AMOUNTS PAYABLE AFTER ONE YEAR	XIII.	328.2	364.2	390.9
A. Financial debts		328.0	364.2	390.9
3. Leasing obligations		5.9	5.6	8.6
4. Credit institutions		202.4	240.1	274.0
5. Other loans		119.7	118.5	108.3
D. Other amounts payable		0.2	-	-
XI. AMOUNTS PAYABLE WITHIN ONE YEAR		279.8	271.7	210.8
A. Current portion of amounts payable after one year	XIII.	28.5	31.2	34.6
B. Financial debts		7.7	7.4	-
1. Credit institutions		3.7	7.4	-
3. Other loans		4.0	-	-
C. Trade debts		110.8	123.7	108.4
1. Suppliers		110.8	123.7	108.4
E. Taxes, remuneration and social security		123.7	85.4	67.5
1. Taxes		64.5	46.4	25.2
2. Remuneration and social security		59.2	39.0	42.3
F. Other amounts payable		9.1	24.0	0.3
XII. ACCRUED CHARGES AND DEFERRED INCOME		15.0	6.6	8.7
TOTAL LIABILITIES		1,018.7	1,042.1	993.8

consolidated income statement

(in EUR million)	NOTES	2003	2002	2001
I. TURNOVER	XIV.	1,061.1	981.4	1,000.6
II. COST OF SALES		551.6	521.4	535.7
III. GROSS MARGIN		509.5	460.0	464.9
IV. COMMERCIAL CHARGES		167.3	151.2	186.1
V. ADMINISTRATIVE CHARGES		259.5	233.9	204.0
VI. RESEARCH AND DEVELOPMENT EXPENSES		1.1	2.6	0.8
VII. OTHER OPERATING INCOME		0.5	2.0	1.0
IX. OPERATING PROFIT (+) / LOSS (-)	XIV.	82.1	74.3	75.0
X. FINANCIAL INCOME		1.6	1.9	1.5
A. Income from financial fixed assets		-	-	0.1
B. Income from current assets		1.6	1.9	1.4
XI. FINANCIAL CHARGES		54.7	58.0	64.8
A. Interest and other debt charges		30.3	32.7	39.5
B. Amortisation of consolidation differences		23.7	24.4	21.4
C. Amounts written off current assets		-	0.9	1.4
D. Other financial charges		0.7	-	2.5
XII. PROFIT (+) / LOSS (-) ON ORDINARY ACTIVITIES BEFORE TAXES		29.0	18.2	11.7
XIII. EXTRAORDINARY INCOME		0.6	2.8	9.8
E. Gain on disposal of fixed assets		0.6	1.1	8.8
F. Other extraordinary income		-	1.7	1.0
XIV. EXTRAORDINARY CHARGES		6.9	-	0.2
D. Provisions for extraordinary liabilities and charges		2.2	-	-
E. Loss on disposal of fixed assets		-	-	0.2
F. Other extraordinary charges	XIV.	4.7	-	-
XV. PROFIT (+) / LOSS (-) FOR THE PERIOD BEFORE TAXES		22.7	21.0	21.3
XVI. DEFERRED TAXES AND FUTURE TAXATION ⁽¹⁾		-5.3	-8.4	-
XVII. INCOME TAXES		18.4	17.3	13.9
A. Income taxes		18.4	17.3	13.9
XVIII. PROFIT (+) / LOSS (-) OF THE CONSOLIDATED ENTERPRISES		9.6	12.1	7.4
XXI. SHARE OF MINORITY INTERESTS IN THE RESULT		1.5	2.7	2.0
XXII. SHARE OF THE GROUP IN THE RESULT		8.1	9.4	5.4
CONSOLIDATED APPROPRIATION ACCOUNT				
PROFIT OF THE CONSOLIDATED ENTERPRISES		9.6	12.1	7.4
1. Dicobel's share		8.1	9.4	5.4
2. Share of minority interests		1.5	2.7	2.0
APPROPRIATION OF DICOBEL'S SHARE		8.1	9.4	5.4
1. To reserves		8.0	9.3	5.4
3. Directors' entitlements		0.1	0.1	-
APPROPRIATION OF MINORITY INTERESTS' SHARE		1.5	2.7	2.0
1. To reserves		1.5	2.7	2.0
(1) Increase (+) / Utilisation and write-back (-).				

segment financial statements

BALANCE SHEET (in EUR million)	Comments	31.12.2003			31.12.2002		
		Belron	Dicobel	Group	Belron	Dicobel	Group
ASSETS							
FIXED ASSETS							
Intangible fixed assets	1	219.0	-	219.0	219.0	-	219.0
Consolidation differences	2	371.7	21.3	393.0	387.0	22.6	409.6
Tangible fixed assets	3	123.7	-	123.7	123.1	-	123.1
Financial fixed assets	4	-	-	-	-	21.8	21.8
CURRENT ASSETS							
Stocks	5	97.5	-	97.5	90.5	-	90.5
Amounts receivable within one year	6	130.0	21.9	151.9	129.9	8.5	138.4
Investments	7	0.5	-	0.5	0.5	1.9	2.4
Cash at bank and in hand		32.5	-	32.5	36.7	-	36.7
Deferred charges and accrued income		0.5	0.1	0.6	0.5	0.1	0.6
TOTAL ASSETS		975.4	43.3	1,018.7	987.2	54.9	1,042.1
LIABILITIES							
CAPITAL AND RESERVES, SHARE OF DICOBEL	8	-	314.3	314.3	-	303.5	303.5
MINORITY INTERESTS	9	66.2	-	66.2	83.7	-	83.7
PROVISIONS AND DEFERRED TAXES		15.2	-	15.2	12.4	-	12.4
CREDITORS							
Amounts payable after one year							
Financial debts	10	208.3	119.7	328.0	245.7	118.5	364.2
Non financial debts		0.2	-	0.2	-	-	-
Amounts payable within one year							
Financial debts	11	32.1	4.1	36.2	38.5	0.1	38.6
Non financial debts	12	238.0	5.6	243.6	232.4	0.7	233.1
Accrued charges and deferred income		14.1	0.9	15.0	5.7	0.9	6.6
TOTAL LIABILITIES		574.1	444.6	1,018.7	618.4	423.7	1,042.1
NET FINANCIAL DEBT		207.4	123.8	331.2	247.0	116.7	363.7

segment financial statements

INCOME STATEMENT (in EUR million)	Comments	31.12.2003			31.12.2002		
		Belron	Dicobel	Group	Belron	Dicobel	Group
TURNOVER	13	1,061.1	-	1,061.1	981.4	-	981.4
COST OF SALES	14	551.6	-	551.6	521.4	-	521.4
GROSS MARGIN		509.5	-	509.5	460.0	-	460.0
COMMERCIAL CHARGES	15	167.3	-	167.3	151.2	-	151.2
ADMINISTRATIVE CHARGES	16	258.7	0.8	259.5	233.6	0.3	233.9
RESEARCH AND DEVELOPMENT EXPENSES		1.1	-	1.1	2.6	-	2.6
OTHER OPERATING INCOME		0.5	-	0.5	2.0	-	2.0
OPERATING PROFIT (+) / LOSS (-)		82.9	-0.8	82.1	74.6	-0.3	74.3
FINANCIAL RESULTS							
Financial income		0.9	0.7	1.6	0.8	1.1	1.9
Financial charges ⁽¹⁾	17	19.7	11.3	31.0	23.3	10.3	33.6
Amortisation of consolidation differences		22.7	1.0	23.7	23.1	1.3	24.4
Intercompany income (+) / charges (-)		-11.4	11.4	-	-10.2	10.2	-
PROFIT (+) / LOSS (-) ON ORDINARY ACTIVITIES BEFORE TAXES		30.0	-1.0	29.0	18.8	-0.6	18.2
EXTRAORDINARY RESULTS							
Extraordinary income	18	0.6	-	0.6	2.8	-	2.8
Extraordinary charges	19	6.9	-	6.9	-	-	-
PROFIT (+) / LOSS (-) FOR THE PERIOD BEFORE TAXES		23.7	-1.0	22.7	21.6	-0.6	21.0
INCOME TAXES AND DEFERRED TAXES	20	13.1	-	13.1	8.8	0.1	8.9
PROFIT (+) / LOSS (-) OF THE CONSOLIDATED ENTERPRISES		10.6	-1.0	9.6	12.8	-0.7	12.1
SHARE OF MINORITY INTERESTS IN THE RESULT		1.5	-	1.5	2.7	-	2.7
SHARE OF THE GROUP IN THE RESULT		9.1	-1.0	8.1	10.1	-0.7	9.4
CURRENT RESULT AFTER TAXES, SHARE OF DICOBEL ⁽¹⁾	21	31.2	-	31.2	24.3	0.6	24.9

(1) Before amortisation of consolidation differences.

segment financial statements

CASH FLOW STATEMENT (in EUR million)	Comments	31.12.2003			31.12.2002		
		Belron	Dicobel	Group	Belron	Dicobel	Group
OPERATING ACTIVITIES							
CONSOLIDATED PROFIT (+) / LOSS (-) FOR THE PERIOD		10.6	-1.0	9.6	12.8	-0.7	12.1
Depreciation		28.3	-	28.3	29.8	-	29.8
Amortisation of consolidation differences		22.7	1.0	23.7	23.1	1.3	24.4
Other non cash items		-5.0	-	-5.0	-14.9	-	-14.9
Less : extraordinary results after taxes		4.6	-	4.6	-2.8	-	-2.8
CURRENT CASH FLOW AFTER TAXES	22	61.2	-	61.2	48.0	0.6	48.6
VARIATION OF WORKING CAPITAL REQUIREMENTS	23	18.7	8.4	27.1	28.7	-	28.7
CASH FLOW FROM OPERATING ACTIVITIES ⁽¹⁾		79.9	8.4	88.3	76.7	0.6	77.3
INVESTMENT ACTIVITIES							
Tangible fixed assets	24	-29.9	-	-29.9	-49.0	-	-49.0
Financial fixed assets	25	-7.7	-19.2	-26.9	-45.1	-21.8	-66.9
CASH FLOW FROM INVESTMENT ACTIVITIES ⁽¹⁾		-37.6	-19.2	-56.8	-94.1	-21.8	-115.9
FINANCING ACTIVITIES							
Dividends and entitlements		-	-0.1	-0.1	-	-0.1	-0.1
Movements in financial debts		-38.6	15.4	-23.2	-20.6	10.3	-10.3
Movements in deferred consideration		-19.6	5.0	-14.6	23.5	-	23.5
Intercompany loans		11.4	-11.4	-	10.2	-10.2	-
CASH FLOW FROM FINANCING ACTIVITIES ⁽¹⁾		-46.8	8.9	-37.9	13.1	-	13.1
TOTAL CASH FLOW FOR THE PERIOD	26	-4.5	-1.9	-6.4	-4.3	-21.2	-25.5

(1) In flow (+), out flow (-).

comments on the segment financial statements

BALANCE SHEET

1. The **intangible fixed assets** represent the value attributed to the AUTOGLASS® and CARGLASS® brands (EUR 219.0 million), calculated using forecasts based on the situation of the Belron group at the end of December 1999. This amount has not been amortised since the Board of Directors considers that the value of the brands has not experienced any significant impairment following the marketing spend made during the financial year 2003.
2. The **consolidation differences** result from the difference between the book value of the shareholdings and the share of the net assets (after fair value adjustments where appropriate) that they represent. The variation in the positive consolidation differences comes mainly from the amortisation and acquisitions made during the period. The consolidation differences are amortised over 20 years, given the strategic nature of the investment, in accordance with the valuation rules of the group. The amortisation over the period amounting to EUR 23.7 million (EUR 24.4 million in 2002), is made up of EUR 19.4 million for the group's share (EUR 20.0 million in 2002) and EUR 4.3 million for the minority interests' share (EUR 4.4 million in 2002). Changes in consolidation differences are detailed in note XII.
3. The **tangible fixed assets** include an investment of EUR 31.0 million (EUR 25.4 million in 2002) in the common computer platform under development (known as «Bridge»). Since roll-out of «Bridge» is now scheduled to start in 2004, this investment has not yet been depreciated. Changes in tangible fixed assets are detailed in note IX.
4. The **financial fixed assets** at the end of December 2002 represented a deposit for more than one year made by Dicobel to guarantee its obligations to Belron's bankers. During the financial year 2003 this deposit was transferred into a short-term deposit presented among the other amounts receivable within one year.
5. The increase in **stocks** results from growth in Belron's business. The average stock turnover is stable in relation to the previous year.
6. The **amounts receivable within one year** at Belron mainly comprise of trade receivables (EUR 90.7 million compared to EUR 98.6 million in 2002). The average turnover of trade receivables has improved compared to the previous year. Other receivables at Belron include deferred tax assets amounting to EUR 15.2 million (EUR 8.4 million in 2002). The receivable of EUR 21.9 million recorded at Dicobel is mainly a short-term deposit (EUR 21.8 million - see comment 4) to guarantee its obligations to Belron's bankers. The amount of this real guarantee is included in note XV. The receivable of EUR 8.5 million recorded in 2002 was used during the period to finance the transactions concluded by Dicobel with the Belron minority shareholders (see note II).
7. During the year, liquid assets at Dicobel were used to finance the transactions concluded by Dicobel with the Belron minority shareholders (see note II). This explains the reduction in **short-term investments** at Dicobel.
8. The variation in Dicobel's **capital and reserves** compared to 31 December 2002 is shown below (in EUR million):

31 December 2002	303.5
Result for the financial year	8.1
Directors' entitlements	-0.1
Consolidation differences	1.7
Translation differences	1.1
31 December 2003	314.3

The negative consolidation differences recorded in 2003 result from the consolidation of the Brazilian subsidiary of Belron (see note II).
9. During the period **minority interests** were reduced thanks to the transactions concluded by Dicobel with the Belron minority shareholders (see note II).
10. **Financial debts payable after one year** comprise of bank loans granted to Belron (EUR 202.4 million compared to EUR 240.1 million in 2002), other Belron financial debts (EUR 5.9 million compared to EUR 5.6 million in 2002) and Dicobel financial debts to its shareholders.
11. **Financial debts payable within one year** at Dicobel mainly comprise of an advance of EUR 4.0 million granted by its shareholders.
12. **Non financial debts payable within one year** at Dicobel mainly comprise of the balance of the amounts due (EUR 5.0 million) within the framework of the transactions concluded by Dicobel with the Belron minority shareholders (see note II). Those of Belron include the amounts still due relating to the acquisitions of the year, EUR 3.7 million (added to which are EUR 0.2 million payable after one year), compared to EUR 23.5 million at the end of December 2002.

INCOME STATEMENT

The financial years closed on 31 December 2002 and 2003 each cover 12 month periods. The average percentage of interest used for the consolidation of the Belron income statement is 80.93% (identical to that of 2002).

13. The group achieved **turnover** of EUR 1,061.1 million (EUR 981.4 million in 2002) up by 8.1%. This growth reflects 8.1% like-for-like growth at constant exchange rate, 3.3% from the new markets (Italy, Sweden in 2002, Norway and Brazil in 2003) and a 3.2% adverse currency translation effect. A geographical breakdown of the turnover is given in note XIV.

14. The **cost of sales** of Belron mainly comprises the purchases as well as the staff costs that can be directly imputed to sales. The costs of the mobile units are also included here. The reduction in the cost of sales in proportion to the turnover (52.0% compared to 53.1% the previous year) was driven by operational productivity improvements and supply-chain rationalisation.

15. The **commercial charges** of Belron correspond to the charges generated by the commercial infrastructure (regional centres and points of sale), such as indirect staff costs, rents and depreciation.

16. The **administrative charges** of Belron correspond in particular to the other staff costs, marketing costs and IT costs. The non-capitalised costs associated with the development of the «Bridge» common computer platform total EUR 7.5 million (compared to EUR 4.7 million in 2002).

17. The **financial charges** at Belron include debt charges (EUR 19.0 million compared to EUR 22.4 million in 2002), as well as the costs of renegotiating the terms of its bank loans (EUR 0.7 million). In 2002, Belron had recorded a write-down of EUR 0.9 million on a short-term investment. The financial charges at Dicobel mainly correspond to the debt interests vis-à-vis its shareholders.

18. The **extraordinary income** at Belron relates to its subsidiary Glasplus. The sale of 3.20% of Glasplus to the main minority shareholder in this company generated a gain of EUR 0.6 million. The extraordinary income for the previous year also related to Glasplus.

19. The **extraordinary charges** at Belron relate to the restructuring of the UK supply chain and cost reduction programmes in Australia and Canada.

20. The **income taxes** at Belron include a tax credit of EUR 1.7 million relating to the extraordinary items. The change in deferred taxes for the year represents a credit of EUR 5.3 million (compared to EUR 5.7 million in 2002, added to which were EUR 2.7 million resulting from the recognition in 2002 of deferred tax assets not recognised in 2001). Excluding deferred taxes, taxes at Belron total EUR 18.4 million (compared to EUR 17.2 million in 2002). The Belron taxation rate, excluding extraordinary items, amounts to 28.1% (27.4% in 2002).

21. The **group's share in the current result after taxes and before amortisation of consolidation differences** is calculated as follows:

(in EUR million)	2003	2002
Group's share in the result of:		
Belron	9.1	10.1
Dicobel	-1.0	-0.7
Sub-total	8.1	9.4
Group's share in the amortisation of consolidation differences carried out by:		
Belron	18.4	18.7
Dicobel	1.0	1.3
Group's share in the recognition of opening deferred taxes	-	-2.2
Group's share in the extraordinary items after tax	3.7	-2.3
Total	31.2	24.9

comments on the segment financial statements

CASH FLOW STATEMENT

22. The current **cash flow after taxes** at Belron comprises an «EBITDA» (operating profit before depreciation and amortisation) amounting to EUR 111.2 million (compared to EUR 104.5 million in 2002). The Dicobel EBITDA is negative (EUR -0.8 million in 2003, EUR -0.3 million in 2002).

23. The **variation in the working capital requirements** includes the cash flows resulting from variations in headings VII, VIII and XI of the assets (current assets) and headings XI C to F (excluding deferred consideration relating to acquisitions) and XII of the liabilities.

24. The net cash flow on **tangible fixed assets** comprises capital expenditures of EUR 8.9 million (EUR 19.8 million in 2002) relating to the development of the «Bridge» common computer platform.

25. The net cash flow on **financial fixed assets** mainly represents the acquisitions made by Belron, as well as the amounts invested within the framework of the transactions concluded by Dicobel with the Belron minority shareholders (see note II).

26. The reconciliation of cash and cash equivalent movements is:

(in EUR million)	2003	2002
Cash and cash equivalents at beginning of year	39.1	62.5
Cash flow for the period	-6.4	-25.5
Scope entry	0.3	3.0
Write-off (-) / Write-back (+)	-	-0.9
Cash and cash equivalents at end of year	33.0	39.1
i.e.:		
IX. Short-term investments	0.5	2.4
X. Cash at bank and in hand	32.5	36.7

notes to the consolidated financial statements

I. CRITERIA AND PRINCIPLES FOR CONSOLIDATION

1. CRITERIA

The consolidated accounts of Dicobel s.a. are drawn up on the basis of the rules laid down in the Royal Decree of 30 January 2001 implementing the Company Code. To be incorporated in the consolidated accounts, the companies must be of significant importance at the scale of the group. In order to be excluded from the consolidation and according to art. 107 of the Royal Decree of 30 January 2001, the companies must represent, individually and globally, less than EUR 10 million in turnover and EUR 10 million in total of balance sheet. Companies which do not meet these criteria may however be consolidated if they are considered to present a sufficient growth potential, or if they hold stakes in other companies which are consolidated in accordance with the above criteria.

2. CONSOLIDATION PRINCIPLES

The following consolidation principles are applied:

- **Full consolidation** is used for all companies controlled directly or indirectly by Dicobel s.a., i.e. subsidiaries over whose management the company exercises a decisive influence, either in law or de facto.
- The **equity method** is used for affiliated enterprises, in which the consolidating company or its subsidiaries hold at least 20% of the capital and/or exercise significant influence over management. The equity method is also applied to joint subsidiaries, unless their activity is closely connected with that of the company exercising joint control, in which case they are proportionally consolidated.
- The **other enterprises** (companies in which the group's shareholding is less than 20%) are included in the consolidated balance sheet at their net book value.

The full list of companies concerned by art.165 of the Royal Decree of 30 January 2001 will be lodged with the Central Balance Sheet department of the National Bank of Belgium. It is also available on request from the Dicobel head office at rue du Mail 50, 1050 Brussels.

II. FULLY CONSOLIDATED COMPANIES

The most important consolidated subsidiaries and sub-subsidiaries are listed below.

Dicobel s.a. holds one main sub-holding company, which is listed below. The percentage indicated is the percentage held by Dicobel s.a. in this sub-holding company at 31 December 2003.

Belron s.a.	81.73%
Boulevard Prince Henri 9B - L-1724 Luxemburg - Luxemburg	

In December 2003, Dicobel s.a. purchased Belron s.a. shares from the minority shareholders, namely within the framework of the exercise of a sale option to which they were entitled annually until 2003. Furthermore, at the end of the period, Belron s.a. increased its capital by incorporating reserves for the exclusive benefit of its minority shareholders in application of the 1999 shareholder agreement. All of these transactions led to a net increase of 0.80% in Dicobel s.a.'s share of the Belron s.a. capital, which now stands

at 81.73%. The average percentage of interest used for the consolidation of the Belron income statement is 80.93% (identical to that of 2002).

The main subsidiaries of Belron s.a. are listed below. The percentages indicated are the percentages held by Belron s.a. in these subsidiaries.

Belron International s.a.	100%
Boulevard Prince Henri 9B - 1724 Luxemburg - Luxemburg	

Carglass b.v.	100%
Leidseplein 29 - 1017 PS Amsterdam - The Netherlands	

Carglass s.a.	100%
ZI du Petit Nanterre - 2/18 rue des Peupliers - Hall 102 92924 Nanterre Cedex - France	

notes to the consolidated financial statements

Belron Canada Inc.	100%
Suite 800, Upper Water Street 1959, P.O. Box 997 Halifax NS B3J 2X2 - Canada	
Carglass GmbH	100%
Godorfer Hauptstrasse 175 - 50997 Köln - Germany	
Carglass n.v.	100%
Trichterheideweg 11 - 3500 Hasselt - Belgium - V.A.T. BE 423 023 845	
Autoglass Vidros Para Viaturas Ltda	100%
Rue Antonio Silva Marinho 282 - 4100 Porto - Portugal	
Carglass New Zealand Ltd	100%
Sultan Street 2-4 P.O. Box 17307 - Ellerslie, Auckland - New Zealand	
Autoglass Ltd	100%
Priory Business Park 1, Cardington - Bedford MK44 3US - United Kingdom	
Carglass Ltd	100%
Upper Mount Street 39-40 - Dublin 2 - Ireland	
O'Brien Glass Industries Ltd	100%
Davies Road 45, Padstow - NSW 2211 - Australia	
Carglass Suisse s.a.	100%
Route des Acacias 18 - 1227 Genève - Switzerland	
Carglass A/S	100%
Bredgade 57 - 7400 Herning - Denmark	
Carglass Plus SA	100%
Raimundo Fernandez Villaverde 65 - Edificio Windsor PL12 28003 Madrid - Spain	

Carglass Sweden AB	100%
Box 19125 - 10432 Stockholm - Sweden	
Darma SpA	100%
Corso Sempione 85 - 20149 Milan - Italy	
Carglass AS	100%
PO Box 2734 Solli - 0204 Oslo - Norway	
Nucleus Comercio Exterior SA	51%
Rua Antonio Nagib Ibrahim 44 - Sao Paulo - Brazil	

The companies Carglass AS and Nucleus Comercio Exterior SA entered the consolidation scope of Belron s.a. respectively on 1 July and 1 September 2003. For the period ending 31 December 2003, these subsidiaries generated a turnover of EUR 11.5 million and had no impact on the net result. The consolidation of Carglass AS generated a positive consolidation difference amounting to EUR 6.4 million, while the consolidation of Nucleus Comercio Exterior SA generated a negative consolidation difference amounting to EUR 1.7 million. No other material influence on the consolidated balance sheet of Dicobel can be noticed.

AGSI Ltd	100%
Priory Business Park 1, Cardington - Bedford MK44 3US - United Kingdom	
Glasplus Ltd	61.38%
Canada House - Field End Road 272 Eastcote Middlessex HA4 9 NA- United Kingdom	

During the year, Belron sold a stake of 3.20% to the main minority shareholder of Glasplus. An extraordinary gain of EUR 0.6 million was generated during this transaction.

VI. ACCOUNTING POLICIES

1. PRINCIPLES

The accounting policies are drawn up in accordance with legal requirements, in particular art. 32, 46 and 51 of the Royal Decree of 30 January 2001 concerning the requirements for prudence, sincerity and good faith. The accounting principles are framed in the context of continuity of operation, and may not be amended by the governing bodies of the company except in case of a significant modification to the structure of the company or of its environment, in which this must be specifically mentioned in the notes annexed to the annual accounts. Assets and liabilities not originally valued according to the rules used for the consolidated accounts have been reworked as necessary for the purposes of consolidation. The principle of uniform valuation rules has also been applied to the accounts of enterprises accounted for using the equity method.

2. VALUATION RULES FOR ASSETS

Formation expenses

The formation expenses are charged directly to the income statement.

Intangible fixed assets

Intangible fixed assets are posted directly to the assets side of the balance sheet at their acquisition value, and are amortised at a rate of 20% per year. Under the terms of art. 61 of the Royal Decree of 30 January 2001, the brand names and trademarks held by the group and of which the useful life is not limited are not amortised; in case of capital losses or lasting depreciation, reductions in value are applied. The brand names AUTOGLASS® and CARGLASS® represent a total amount of EUR 219.0 million as at 31 December 2003.

Consolidation differences

When a new subsidiary is included in the accounts, or when a shareholding in a newly affiliated company is accounted for using the equity method, or when an additional shareholding is acquired, the book value of the shares in the company concerned is compared with the fraction of the net assets which it represents, taking into account any revaluation of the assets and liabilities. The resulting consolidation difference is entered under the "Consolidation difference" heading of the assets if it is positive or of the liabilities if it is negative. The positive consolidation

differences are amortised pro rata temporis on a straight line basis over a maximum period of 20 years, unless the estimated useful life of the asset justifies a longer period.

Tangible fixed assets

Tangible fixed assets are recognised at their acquisition value, and are amortised by the straight line method at the following rates:

- 5% per year for buildings;
- 10% - 20% per year for rolling stock, furniture, supplies and fittings;
- 20% - 50% per year for IT equipment.

Ancillary costs are amortised at the same rate than the fixed assets they relate to.

Financial fixed assets

Shares held in non consolidated subsidiaries are entered in the balance sheet at their acquisition price. At the end of each financial year, the book value of each financial participation in the balance sheet is compared with the net situation for the company to which it relates; if this valuation reveals a lasting loss of value compared with the book value, the shares are written down. Amounts receivable are entered at their acquisition price at the moment of the operation. Write-downs are recorded if the repayment of all or part of the amounts receivable is uncertain or compromised. If these write-downs should prove to be excessive or unnecessary during a later financial year, they are written back.

Amounts receivable within one year

Amounts receivable are entered at their face value, in accordance with art. 67 of the Royal Decree of 30 January 2001. Write-downs are entered for amounts receivable whose repayment at the due date is uncertain or compromised, either in whole or in part. If these write-downs should prove to be excessive or unnecessary during a later financial year, a write-back is entered in the income statement. Potential profits or losses on amounts receivable in foreign currency are entered under translation differences. If the balance of these differences (per currency) reveals a potential loss (debt position), this is entered for the year concerned, in accordance with the principle of prudence; in the opposite case, the potential profit is carried forward to the next year.

Investments

Short-term investments and amounts on call are treated as amounts receivable within one year, as are holdings in foreign

notes to the consolidated financial statements

currency. The exchange rates used are the reference exchange rates issued by the European Central Bank on 31 December 2003.

Deferred tax assets

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which 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. As at 31 December 2003, deferred tax assets (after deduction of deferred tax liabilities) amounting to EUR 15.2 million (EUR 8.4 million as at 31 December 2002) were recognised in the balance sheet, and were included under the heading VIII.B. of the assets.

3. VALUATION RULES FOR LIABILITIES

Provisions for liabilities and charges

Provisions for liabilities and charges are set aside individually, according to the liabilities and charges which they are meant to cover, in accordance with art. 50 of the Royal Decree of 30 January 2001. At the end of each financial year, the amount of the liability or charge is re-examined on the basis of the latest available information or estimates. The amounts recorded at the end of the financial year correspond to the criteria of prudence, sincerity and good faith. Provisions for previous years are written back to the income statement to the extent that they turn out to be excessive or unnecessary.

Amounts payable within one year

The rules for valuation of these amounts are similar to those for amounts receivable within one year.

4. PENSIONS

There are in the group different 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 a group insurance. The minimum funding level of these schemes is defined by national rules.

IAS19 (with immediate recognition of actuarial gains and losses) and FRS17 accounting rules require for defined benefit schemes to

recognise a liability in the balance sheet for the difference between the defined benefit obligation as calculated using the "projected unit credit" method and the assets of the schemes.

If these methods were applied at 31 December 2003, an additional liability of EUR 26.6 million should be recognised on the balance sheet, analysed as follows :

(in EUR million)	2003	2002
Total obligation for past service	121.5	114.9
Fair value of scheme assets	94.9	84.3
Net surplus (+) / deficit (-)	-26.6	-30.6

5. FOREIGN EXCHANGE CONVERSION METHOD

In the accounts of subsidiaries, monetary assets and liabilities in foreign currencies are converted at the rate of exchange at closing date; exchange rate differences resulting from transactions in foreign currencies are posted to the income statement, as are exchange rate losses which have not yet been realised, while exchange rate profits not yet realised are entered under "Accrued income and deferred charges" in the balance sheet. In the consolidated financial statements, the asset and liability items (excluding capital and reserves but including the rights and commitments of all the companies) are converted into euro at the rate of exchange at closing date. The capital and reserves of subsidiaries and the consolidation differences are maintained at their historic value, while the corresponding translation differences are entered under the heading "Translation differences". The income and charges generated by foreign subsidiaries are converted into euro at the average rate for the financial period. The main exchange rates used for the conversion of the consolidated financial statements are:

CLOSING RATE	2003	2002
AUD	0.60	0.54
CAD	0.61	0.60
GBP	1.42	1.55
ZAR	0.08	0.09
AVERAGE RATE	2003	2002
AUD	0.58	0.57
CAD	0.63	0.67
GBP	1.44	1.59
ZAR	0.08	0.10

notes to the consolidated financial statements

VIII. STATEMENT OF INTANGIBLE FIXED ASSETS

(in EUR million)	Brand names
A. ACQUISITION COST	
At the end of the preceding period	219.0
At the end of the period	219.0
NET VALUE AT THE END OF THE PERIOD	219.0

IX. STATEMENT OF TANGIBLE FIXED ASSETS

(in EUR million)	Land and buildings	Plant, machinery, equipment, furniture and vehicles	Leasing	Assets under construction and advance payments
A. ACQUISITION COST				
At the end of the preceding period	22.1	209.8	38.4	-
• Change in the consolidation scope	-	1.3	-	-
• Acquisitions, including fixed assets own construction	2.5	19.0	-	8.9
• Sales and disposals	-	-0.5	-	-
• Translation differences	0.6	8.6	0.9	-3.3
• Transfer from one caption to another	-	-25.4	-	25.4
At the end of the period	25.2	212.8	39.3	31.0
C. DEPRECIATION AND AMOUNTS WRITTEN DOWN (-)				
At the end of the preceding period	5.7	124.0	17.5	-
• Charged	2.8	17.5	8.0	-
• Cancelled	-	-0.5	-	-
• Translation differences	0.9	7.4	1.3	-
At the end of the period	9.4	148.4	26.8	-
NET VALUE AT THE END OF THE PERIOD	15.8	64.4	12.5	31.0

X. STATEMENT OF FINANCIAL FIXED ASSETS

(in EUR million)	Amounts receivable and cash guarantees
A. ACQUISITION COST	
At the end of the preceding period	21.8
• Transfer from one caption to another	-21.8
At the end of the period	-
NET VALUE AT THE END OF THE PERIOD	-

notes to the consolidated financial statements

XI. STATEMENT OF RESERVES

(in EUR million)	
VALUE AT THE END OF THE PRECEDING PERIOD	9.4
• Share of the group in the result	8.1
• Directors' entitlements	-0.1
VALUE AT THE END OF THE PERIOD	17.4

XII. STATEMENT OF CONSOLIDATION DIFFERENCES

(in EUR million)	Positive	Negative
NET VALUE AT THE END OF THE PRECEDING PERIOD	409.6	-
• Change in the consolidation scope	-	1.7
• Acquisitions	8.8	-
• Amortisation	-23.7	-
• Other variations	-1.7	-
NET VALUE AT THE END OF THE PERIOD	393.0	1.7

XIII. STATEMENT OF DEBTS

(in EUR million)	Less than 1 year	From 1 to 5 years	Over 5 years
A. RESIDUAL TERM OF DEBTS (originally payable after more than one year)			
Financial debts			
3. Leasing obligations	2.4	4.7	1.2
4. Credit institutions	26.1	202.4	-
5. Other loans	-	119.7	-
Other amounts payable	-	0.2	-
TOTAL	28.5	327.0	1.2

notes to the consolidated financial statements

XIV. RESULTS

(in EUR million)	2003	2002
A. TURNOVER		
A1. BREAKDOWN BY SECTOR OF ACTIVITY		
• Vehicle glass	1,025.3	945.2
• Building glass	35.8	36.2
TOTAL	1,061.1	981.4
A2. GEOGRAPHICAL BREAKDOWN		
• Europe	867.9	789.2
• Rest of the world	193.2	192.2
TOTAL	1,061.1	981.4
B. STAFF		
B1. AVERAGE STAFF NUMBER (IN FTE)	8,558	8,424
B2. PERSONNEL AND PENSION CHARGES		
• Personnel	346.1	321.0
• Pension	14.3	9.6
TOTAL	360.4	330.6
B3. AVERAGE STAFF NUMBER EMPLOYED BY THE ENTERPRISES OF THE GROUP IN BELGIUM (IN FTE)	485	480
C. OTHER EXTRAORDINARY CHARGES		
Restructuring costs incurred by Belron in the United Kingdom, Australia and Canada	4.7	-
D. FAVOURABLE IMPACT OF THE EXTRAORDINARY ITEMS ON TAXES	1.7	-

notes to the consolidated financial statements

XV. RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET

(in EUR million)	2003	2002
• Amount of real guarantees, given or irrevocably promised by the enterprises included in the consolidation on their own assets, as security of debts and commitments of enterprises included in consolidation	278.7	325.7
• Forward contracts and swaps (interest and currencies)	187.5	257.8
• Others important commitments	-	5.2

The Belron group granted its management a stock option plan, subject to performance criteria. Should the options be exercised, new Belron s.a. shares will be issued. The maximum impact is 6% of share capital.

XVI. RELATIONS WITH NON CONSOLIDATED AFFILIATED COMPANIES

(in EUR million)	2003	2002
INVESTMENTS		
• Receivable	-	1.9
CREDITORS		
• Amounts payable after one year	119.7	118.5
• Amounts payable within one year	4.3	0.3
FINANCIAL RESULT		
• Income from current assets	0.2	0.5
• Interests and other debt charges	11.3	10.3

XVII. ABRIDGED STATUTORY FINANCIAL STATEMENTS OF DICOBEL S.A.

The statutory financial statements of Dicobel s.a. are summarised below. The unabridged version of the statutory financial statements of Dicobel s.a., 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 on request from:

Dicobel s.a.
Rue du Mail 50
B - 1050 Brussels

The statutory auditor has issued an unqualified opinion on the statutory financial statements of Dicobel s.a.

abridged statutory financial statements

ABRIDGED BALANCE SHEET

ASSETS (in EUR million)	31.12.2003	31.12.2002	31.12.2001
FIXED ASSETS	446.4	437.6	405.5
IV. FINANCIAL ASSETS	446.4	437.6	405.5
CURRENT ASSETS	21.9	10.1	30.8
VII. AMOUNTS RECEIVABLE WITHIN ONE YEAR	21.9	10.0	30.7
IX. CASH AT BANK AND IN HAND	-	0.1	-
X. DEFERRED CHARGES AND ACCRUED INCOME	-	-	0.1
TOTAL ASSETS	468.3	447.7	436.3
LIABILITIES (in EUR million)	31.12.2003	31.12.2002	31.12.2001
CAPITAL AND RESERVES	328.8	328.4	327.9
I.A. ISSUED CAPITAL	291.4	291.4	291.4
IV. RESERVES	1.9	1.8	1.8
V. ACCUMULATED PROFITS	35.5	35.2	34.7
CREDITORS	139.5	119.3	108.4
VIII. AMOUNTS PAYABLE AFTER ONE YEAR	129.8	118.5	108.3
IX. AMOUNTS PAYABLE WITHIN ONE YEAR	9.7	0.8	0.1
TOTAL LIABILITIES	468.3	447.7	436.3

ABRIDGED INCOME STATEMENT

(in EUR million)	2003	2002	2001
II. OPERATING CHARGES	0.8	0.3	0.3
IV. FINANCIAL INCOME	12.6	11.3	10.2
V. FINANCIAL CHARGES	11.3	10.3	10.6
VII. EXTRAORDINARY INCOME	-	-	37.7
VIII. EXTRAORDINARY CHARGES	-	-	0.2
X. INCOME TAXES	-	0.1	-
XI. PROFIT FOR THE PERIOD	0.5	0.6	36.8
XIII. PROFIT FOR THE PERIOD AVAILABLE FOR APPROPRIATION	0.5	0.6	36.8
APPROPRIATION ACCOUNT (in EUR million)	2003	2002	2001
A. Profit / (loss) to be appropriated	35.6	35.3	36.5
C. Appropriations to capital and reserves	-	-	1.8
D. Result to be carried forward	35.5	35.2	34.7
F. Distribution profit	0.1	0.1	-

auditor's report

REPORT OF THE STATUTORY AUDITOR ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE DICOBEL GROUP STATED AS OF 31 DECEMBER 2003, PRESENTED TO THE ANNUAL GENERAL MEETING OF 4 MAY 2004

In accordance with legal and statutory requirements, I am pleased to report to you on the performance of the audit mandate which you have entrusted to me.

I have audited the consolidated financial statements for the financial year ended December 31, 2003 which have been prepared under the responsibility of the Board of Directors and which show a balance sheet total of EUR 1.018,7 million and which closes with a share of the group in the consolidated profit for the year of EUR 8,1 million . I have also examined the consolidated Directors' report.

UNQUALIFIED AUDIT OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

I conducted my audit in accordance with the standards of the "Institut des Réviseurs d'Entreprises/Instituut der Bedrijfsrevisoren". Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, taking into account the legal and regulatory requirements applicable to consolidated financial statements in Belgium.

In accordance with those standards, I considered the group's administrative and accounting organisation, as well as its internal control procedures. I have obtained explanations and information required for my audit. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing accounting principles used, the basis for consolidation and significant accounting estimates made by management, as well as evaluating the overall consolidated financial statements presentation. I believe that my audit as well as the investigations made by my colleagues who audited the accounts of the subsidiaries provides a reasonable basis for my opinion.

In my opinion, the consolidated financial statements give a true and fair view of the group's assets, liabilities, consolidated financial position as of December 31, 2003 and the consolidated results of its operations for the year then ended, in accordance with the legal and regulatory requirements applicable in Belgium, and the information given in the notes to the consolidated financial statements is adequate.

ADDITIONAL CERTIFICATIONS AND INFORMATION

I complete my report with following certifications and information which do not modify my opinion on the consolidated financial statements :

- the consolidated directors' report contains the information required by the law and is consistent with the consolidated financial statements.

Brussels, 12 February 2004

Gérard DELVAUX

Statutory Auditor

