



Belron.
Transforming obstacles
into opportunities.

“Like most other businesses, Belron faced many challenges at the start of 2009 due to the global economic environment. The response our business has made to these challenges has been excellent. I am particularly pleased with the success of the repair led advertising campaigns which have enabled us to deliver greater value to our customers in an environmentally responsible way. We continue to invest in a range of initiatives including a customer delight acceleration programme which further enhance the service that we provide to the motorists and the insurance and fleet industries around the world.”

Gary Lubner, CEO Belron.

Measuring customer delight.



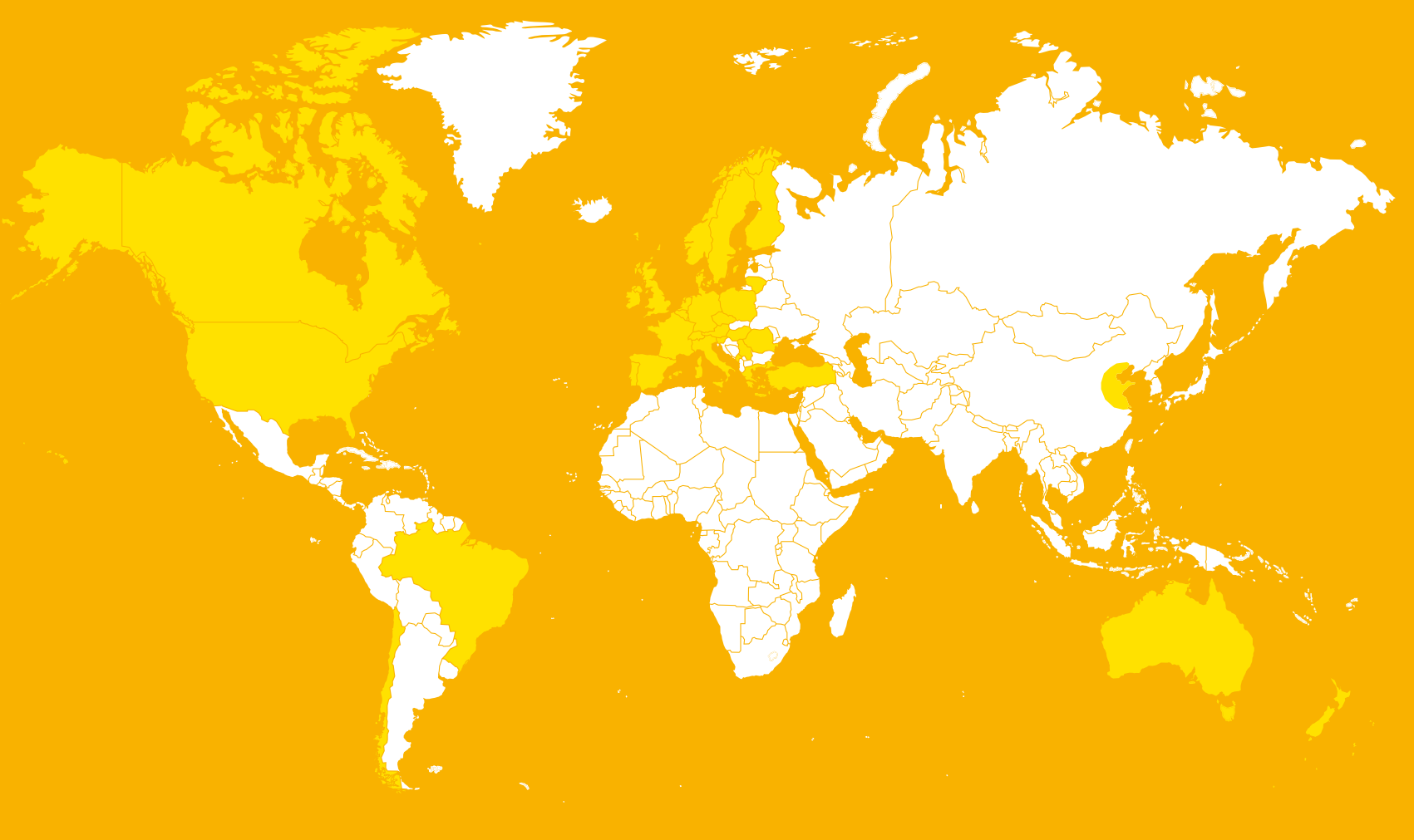
Peter Rohrs, Head of Operations Service Delivery and Belron's Customer Delight Acceleration Programme.

Belron has always been committed to delighting its customers with the service it provides. In 2009, the company initiated a customer delight acceleration programme in order to drive further progress in this area. As part of this programme, it completed the worldwide implementation of a new customer delight measurement approach based on the Net Promoter Score (NPS). NPS is a measure of customer loyalty and is calculated using the answers to one simple question which is whether customers would recommend Belron to their friends or colleagues.

PETER ROHRS:

“The Belron team completed the global implementation of the new NPS measurement system in less than 12 months and I am incredibly proud not only of the core team but everyone in the business who have helped to make this happen.

The implementation has been a major success and is facilitating further improvements in our customer service. Significant improvements are already being made and everywhere I go people are talking about the feedback from their customers gained through the NPS approach and how it is not only improving the way we serve our customers but also changing the behaviour of our own people.”



Key figures.

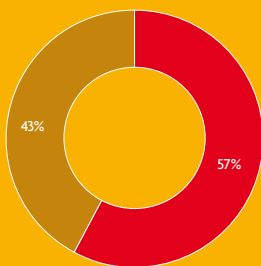
External sales up 12%, comprising 9% organic growth, due to favourable winter weather conditions and successful marketing and operational activities, and acquired growth of 3%. | Current operating result up 23.9% to EUR 215.5 million driven by sales growth and strong cost control. | Current result before tax, group's share, up 38.5% to EUR 150.4 million (up 33.2% excluding the additional interest acquired in Belron). | Acquired growth mainly in the US where integration of 2008 acquisitions is complete. | Continued organic sales growth anticipated in 2010.

FINANCIAL HIGHLIGHTS (EUR million)	2009	2008	CHANGE
External sales	2,423.2	2,156.1	12.4%
Current operating result	215.5	173.9	23.9%
Current operating margin	8.9%	8.1%	–
Current net finance costs	-28.5	-33.6	15.2%
Current result before tax	187.0	140.3	33.3%
Current result before tax, group's share	150.4	108.6	38.5%
Unusual items and re-measurements, before tax	-5.8	-27.5	–

Note: the average shareholding used for consolidation of the current result before tax of Belron in 2009 is 80.43% (77.38% in 2008).



GEOGRAPHICAL SALES BREAKDOWN¹



GEOGRAPHICAL SALES EVOLUTION ¹	CHANGE
<ul style="list-style-type: none"> ● Europe: Austria, Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, UK 	12%
<ul style="list-style-type: none"> ● Rest of the world: Australia, Brazil, Canada, New Zealand, United States 	14%

1. At actual exchange rate.

- > A job is completed every 3 seconds
- > 8,400 windscreens are repaired every day
- > 109,000 mobile jobs are completed every week

INDICATORS	2009	2008
Total jobs (in million)	10.7	9.4
> repair jobs	3.1	2.3
> mobile jobs	5.7	4.9
Mobile fleet (number of vans)	8,565	7,878
Employees	22,399	20,833

Key events 2009.

APRIL. | 01 | Belron signs agreement with franchise in Chile and opens its first branch in Santiago. **JUNE. | 02 |** Franchise agreements signed in Finland and Lithuania. **03 |** Autoglass UK wins prestigious award in UK's top TV advertising awards. The award was in the category of 'Best use of TV for response' at the Thinkbox TV Planning Awards. **AUGUST. | 04 |** Belron US opens a new distribution centre in Ontario, California, which is strongly influenced by environmental design principles. **05 |** Belron employees from 18 business units compete in the London Triathlon and raise EUR 500,000 for MaAfrika Tikkun. The money will help to support vulnerable children in South Africa giving them vital care and the skills needed to succeed in life. **SEPTEMBER. | 06 |** Belron enters the Chinese market by acquiring a vehicle glass repair and replacement business operating in the city of Qingdao. **07 |** Belron strengthens its presence in the USA by acquiring Auto Glass Center business in mid-west. **OCTOBER. | 08 |** Carglass Belgium presented with the prestigious Ambiorix Prize by the Prime minister. This annual award recognises a profitable company, excelling in entrepreneurship and employee engagement. | Carglass Spain wins silver at the EFI – or 'effectiveness' Awards – competing against twenty-six internationally-known brands in the category of 'Most Effective Communications Campaign in the Spanish Media'. **NOVEMBER. | 09 |** Belron completes world-wide implementation of Net Promoter Score, its new measure of customer delight. | Belron wins 'Team of the Year' at the European Supply Chain Excellence Awards. **10 |** Customer Relationship Management Association presents Carglass Netherlands with an award for its total focus throughout the organisation on delivering excellent service to its customers.



01



02



03



04



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09



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Taking advantage of the crisis.

Current result before tax, group's share: EUR 150.4 million, up 38.5%* driven by exceptional organic sales growth – fuelled by weather conditions and successful marketing activities – and strong cost control.

Activities and results

Sales grew by 12.4% to EUR 2,423.2 million, consisting of 9% organic and 3% from acquisitions with a minimal currency translation impact. The organic growth was due to favourable winter weather conditions in the major European countries, additional advertising and operational improvements. These factors together offset the impact of the challenging economic environment. There was minimal currency impact with a stronger US dollar offsetting weaker currencies elsewhere, most notably the GB pound and Australian dollar. Total repair and replacement jobs grew by 14% to 10.7 million.

In Europe, after both acquisitions and currency translation, sales growth was 12% which consisted of 13% organic growth and 1% acquired growth offset by an adverse currency impact of 2% due to a weaker GB pound. The European businesses benefited from favourable winter weather conditions compared to 2008. The sales growth was also delivered through increased marketing activities, by maintaining close relationships with key accounts and by operational improvements. The acquisition growth is predominantly due to an acquisition in Denmark in late 2008.

Outside Europe, after both acquisitions and currency translation, sales growth amounted to 14%. This consisted of 4% organic growth, 7% acquired growth and 3% from currency translation. The organic growth reflects a continued investment in marketing activities and key account relationships which have enabled the

business to grow despite challenging market conditions. The acquired growth is primarily due to the acquisition of Diamond Glass Inc. which was effective from the beginning of July 2008.



The current operating result amounted to EUR 215.5 million (2008: EUR 173.9 million). The increase in operating result is largely attributed to sales increases across the portfolio of businesses together with operational efficiency gains and cost reductions in many areas.

Unusual costs before tax were EUR 4.7 million and relate to the restructuring of US acquisitions. Re-measurements include the amortization of intangibles resulting from acquisitions and changes in the fair value of derivatives.

Net finance costs were EUR 27.4 million (2008: EUR 38.1 million). Before re-measurements resulting from the changes in the fair value of derivatives, current net finance costs decreased from EUR 33.6 million in 2008 to EUR 28.5 million due to lower borrowings and reducing interest rates.



Current result before tax, group's share, rose by 38.5% to EUR 150.4 million (2008: EUR 108.6 million).

During the second quarter of 2009, Belron paid dividends relating to 2007 and 2008 profits of EUR 97.5 million to its shareholders, of which D'leteren's share was EUR 75.4 million.

Key developments

Belron continued to pursue its goal of delivering an unrivalled service to its customers, key insurer and fleet partners thereby delivering sales growth. During the year a new centralised measurement process was rolled out worldwide for collecting and evaluating customer feedback which has made the group even more responsive to its customers' needs. In addition, the group continued to pursue more efficient and effective relationships with its insurer and fleet partners. The business also completed the roll out of its standardised internet presence.

The business has further developed and rolled out new tools and processes to ensure that the work it performs is to the highest standard. In the summer Belron opened its largest distribution centre,

* Up 33.2% excluding the additional interest acquired in Belron.



located on the west coast of America. This facility enables Belron to provide a better service to its customers whilst significantly reducing mileage travelled. In recognition of this, the Belron Supply Chain team won a Supply Chain Excellence Award in the 'best team' category. This was the second successive year that the Belron Supply Chain team has won a Supply Chain Excellence Award.

Television marketing was increased in many countries following successful trails in the previous year. The adverts followed a standardised approach and were shown in conjunction with existing radio advertising.

During the third quarter Belron acquired a single branch business in China and at the end of September the US VGRR business of IGD Industries was acquired. Earlier in the year franchise agreements were signed in Chile, Finland and Lithuania. In January 2010 Belron acquired its former franchisee in Turkey.

Outlook 2010

The outlook for 2010 is for continued organic sales growth. Belron remains committed to delivering outstanding service to its customers, its insurance and fleet partners, and improving its operational efficiency.

New distribution center. Belron continued to focus on the transformation of its recently acquired US businesses during 2009. One major component of this transformation programme is the enhancement of the supply chain, notably the logistics function.

As part of this programme, Belron US opened a new distribution centre in Ontario, California, in August 2009. This 26,200 square metre facility will support the enhanced distribution of glass to the states west of the Mississippi River and is the largest in the Belron group. It has storage for 120,000 windscreens and 30,000 other vehicle glass parts and will handle over one million windscreens during its first year. The new facility will enable Belron US to serve its customers faster than ever before.

It was developed using Belron global best practice and learnings from other facilities across the group, including the racking layout which was designed using Belron best practice warehouse modeling. In addition, the opening of this new distribution centre reflects the

Belron environmental commitment as it will eliminate one million miles in transport and reduce the primary carbon footprint of the US business by more than 1,500 tons of CO₂. It incorporates many other ecologically-friendly innovations like compact fluorescent T5 lighting, which is three to four times more efficient than standard fluorescent bulbs; motion and daylight sensors that illuminate only when needed; skylights that allow for natural sunlight; and an all-electric mobile fleet.

With the continued growth of the US business the new centre will ensure unrivalled availability of glass for its customers.



Let's not wait for the world to change. Let's change it.

Belron is highly committed to operating in an environmentally responsible way.



The primary method by which this is achieved is through the Belron repair philosophy which is not only lowering costs but also significantly reducing the number of windscreens that need replacing. Belron actively promotes the repair of windscreens through its advertising and joint promotional activities with its key insurance and fleet partners. Repairing a windscreen before it needs replacing generates significantly less waste and has a carbon footprint around 10 times less than fitting a replacement screen.

In addition to driving repairs, Belron also focuses on reducing the environmental impact of repairing or replacing vehicle glass in many other ways. By using its call centres or booking on-line the company routinely reduces the number of trips a customer would make. Belron's effective route planning systems means the routes that are taken are optimised to be the most efficient, thus eliminating unnecessary mileage and tailpipe emissions. The company also manages the emissions from its fleet, the energy used in its buildings and the recycling of

its products at the end of life. It is also working with its supply chain to eliminate packaging waste and distribution emissions.

OUR FLEET

Over the course of 2009 Belron has made some significant changes to the way it manages its fleet emissions. Scooters have been adopted as a way of lowering tailpipe emissions in cities including Paris and Brussels and at the same time have delivered a more efficient service in traffic heavy locations. In Carglass Belgium the rollout of an e-positive driver training programme to all technicians saw emissions reduce overall by 2%. In the US business the "Idling Gets you Nowhere", a programme which encourages technicians to switch off their engines when not driving, has realised savings of over 30,000 metric tons of CO₂. Additionally, in the US, Belron has begun investigating the use of trains in the supply chain (historically not done due to fear of high breakage) and started using trains for internal shipments within the US.

The company also completed a vehicle trial in Germany to assess the viability of using hybrid vans for local deliveries.

OUR BUILDINGS

During the year, a wide range of initiatives have been implemented to reduce electricity usage in the buildings. In Italy and Belgium Belron is currently replacing fluorescent light signage with LED equivalents which will reduce waste as well as emissions. Carglass Germany has achieved significant cost and CO₂ savings by introducing simple measures such as installing time switches for coffee machines, water dispensers and glass shop shelves. Carglass Netherlands eliminated the need for two large air conditioners in their contact centre through applying solar films to windows and substituting individual PCs with dumb terminals.

In the supply chain Belron reduced the transport miles associated with distributing glass across the US by opening its second Distribution Centre (DC) in the USA.

WASTE AND RECYCLING

Belron repaired nearly three million windcreens during the year, a 30% increase on 2008. This meant that over 4,900 tons of waste was not produced and 12,000 tons less CO₂ was emitted as a result. In addition, when a vehicle's glass needs to be replaced, 74% of all the business units now recycle the glass they replace. Belron is aiming to push this rate even higher in the coming year.





During 2009 the company began working with a key supplier to understand product packaging and identified solutions to reduce waste from plastic packaging by 50%. Most of the DC's now recycle cardboard which is extensively used throughout the supply chain. In addition Belron is currently working on the design of a new reusable, collapsible crate to transport glass. This new design would eliminate the need to use wood in the supply chain.

THE WAY WE WORK

Belron knows that building a culture of responsibility begins with the way that it works as a business. 2009 has seen the company further embracing what it can do to make a difference. It has set itself a tough challenge to grow the business without growing the CO₂ emissions. Just some of the ways it knows it can achieve this will be by improving its buildings, making changes to its fleet and making greater use of renewable energy. It is also about making changes to the way it works.

A number of business units have made changes to their company car policies and implemented full scale recycling policies across buildings. Driver awareness programmes have also been introduced in some of the business units to reduce idle time thus reducing CO₂ emissions.

The implementation of ISO14001 in Laddaw, the UK distribution business is an example of step change thinking in this area with the whole business adopting a more sustainable approach to the way they operate.

Accurate accounting of its carbon emissions is a key element of effective emissions reduction strategies. Over the past year Belron has worked to improve the group-wide tracking tool to enable the company to better capture, measure and monitor its global emissions.

At the end of 2009 Belron has started the process for conducting supplier audits to monitor the environmental and Corporate Social Responsibility (CSR) policies of its suppliers.

OUR COMMUNITIES

Belron is convinced that supporting people beyond its business is the right thing to do and so all the business units are encouraged to be involved in community activities either at a local, national or global level.

Belron's global support was again focussed on its corporate entry into the London Triathlon. The company entered a record number of participants – over 600 individuals from 18 business units took part in the event in August raising in excess of EUR 500,000 for MaAfrika Tikkun. These funds have gone directly to support a range of programmes dedicated to improving the life prospects of African children and young people and the families and communities that care for them. In addition to financial support the Netherlands cleaned up and sent on to MaAfrika Tikkun 65 redundant computers.

The dominant theme for many of the business units is to provide support to charities involved with children. Some examples include Carglass Greece which supports an organization called Hamogelotou Paidiou that helps improve the lives of abused children and orphans. Employees at Carglass Germany have further developed their relationship with staff and patients at the Kinderkrankenhaus children's hospital. Their donations since 2007 have paid for important after care and provided more hospital staff to support children and their parents at home. A team from O'Brien in Australia took part in the Sydney Running Festival recently as part of their 'Giving Back'

Community Initiatives Programme. Employees in New Zealand participated in the Auckland Marathon. The major charities supported were the Child Cancer Foundation and the NZ Heart Foundation.



Disaster relief has also played a prominent role in Belron's giving back approach in 2009. Its Australian business O'Brien has been supporting individuals and communities affected by the Victorian bushfires through the establishment of the Employee Bushfire Appeal. The company has been matching every employee contribution to the Australian Red Cross. Employees at Carglass Italy rose money to help young people affected by the Abruzzo earthquake which hit Italy earlier this year.