

D'leteren

Changing Mindsets

ANNUAL REPORT 2009



Contents

2 Message to Shareholders | **4** Group Activities | **6** Automobile Distribution – D’leteren Auto | **20** Short-Term Car Rental – Avis Europe plc | **30** Vehicle Glass Repair and Replacement – Belron s.a. | **40** Financial Report | **104** Major Risk Factors | **105** Corporate Governance | **110** Share Information | **111** Capital Information | **113** Content of the Consolidated Director’s Report



From wheelwright to car distribution

D’leteren starts in 1805 as a wheelwright and manufacturer of wheels in Brussels. The Company becomes later active in all the areas of coachwork. At the end of the 19th century, D’leteren extends its activities to the production of bodywork for engine-powered vehicles. In 1931, it enters the distribution business, becoming the main distributor for American brands such as Studebaker, Pierce-Arrow and Auburn. In 1948, the Company becomes the importer of Volkswagen in Belgium and of Porsche two years later. The following brands were added in the following years: Audi, Seat, Škoda, Bentley and Lamborghini for the Volkswagen group, as well as Yamaha and MBK in the two-wheeler segment. Today, D’leteren sells annually around 100,000 vehicles of those makes on the Belgian market.



Another step towards mobility

In 1956, as a sign of its precursory role in mobility matters, the company launches “Dit’Rent-a-Car”, a short-term car rental company. Two years later, “Dit’Rent-a-Car” becomes an Avis licensee. In 1971, Locadif s.a. is formed in a partnership between D’leteren and Avis Inc. In 1989, D’leteren becomes the main shareholder of Avis Europe, the European subsidiary of Avis Inc. listed on the London Stock Exchange since 1986. Today, D’leteren owns 59.6% of Avis Europe, one of the leading car rental companies in Europe, Africa, the Middle-East and Asia through the Avis and Budget brands with a presence in more than 100 countries.



A third activity at the service of the motorist

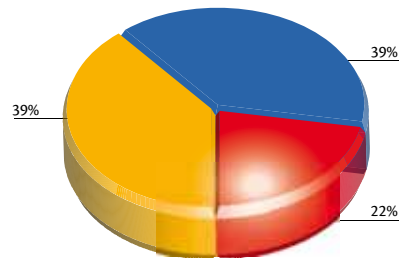
In 1999, D’leteren enters the vehicle glass repair and replacement (VGRR) market by acquiring a majority stake in Belron through Dicobel, a subsidiary jointly owned with Cobepa. The origins of Belron go back to Jacobs & Dandor, a company established in South Africa in 1897. First specialised in mirror making before moving to vehicle glass, the company expands its activities throughout the world from the 1960s onwards. It enters Europe through the acquisition of two well-known companies, Autoglass and Carglass. In September 2009, Cobepa exercised the put options it held on its 16.35% stake in Belron. After payment of the shares early 2010, D’leteren today holds 93.73% of Belron, the worldwide leader in VGRR in 32 countries across 5 continents.



External sales by activity

	CHANGE
● Automobile Distribution	-8.4%
● Car Rental ²	-16.4%
● Vehicle Glass	12.4%
Total	-3.6%

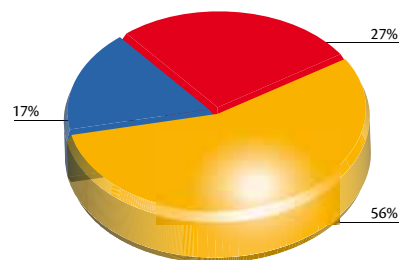
Total: EUR 6,269.7 million



Current operating result¹ by activity

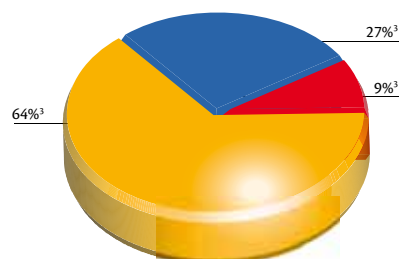
	CHANGE
● Automobile Distribution & Corporate	-25.6%
● Car Rental	-8.3%
● Vehicle Glass	23.9%
Total	2.6%

Total: EUR 384.7 million



Current result before tax¹, group's share, by activity

	CHANGE	CHANGE ⁴
● Automobile Distribution & Corporate	-29.2%	-23.6%
● Car Rental	-7.1%	-7.1%
● Vehicle Glass	38.5%	33.2%
Total	11.7%	10.5%



- Under IFRS, before unusual items and re-measurements.
- As restated in 2008 following the amendment to IAS 16 (see note 2.1. of the Consolidated Financial Statements in this annual report).
- Before allocation of *pro forma* financial charges (EUR 21.3 million) to the Automobile Distribution & Corporate segment, resulting from the net investment in the Car Rental and Vehicle Glass segments (100% = EUR 235.5 million).
- At constant perimeter, i.e. excluding the net impact of the additional interest acquired in Belron.

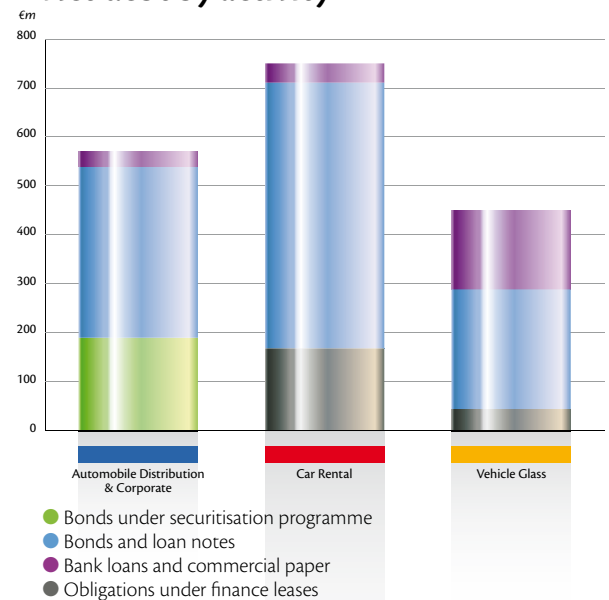
An international group



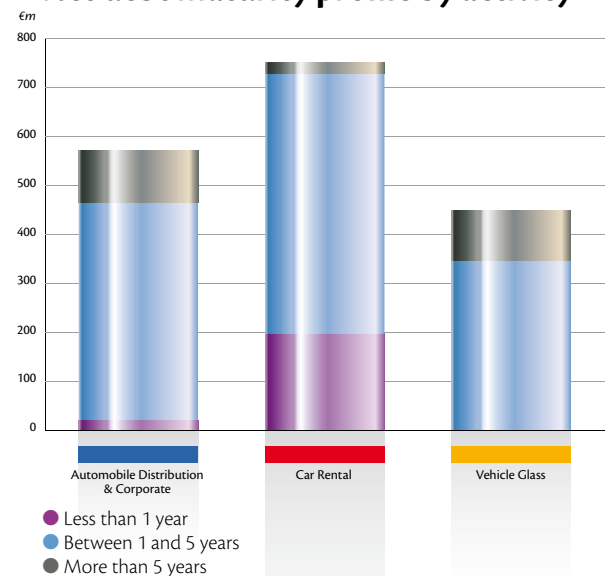
- Vehicle Glass Repair and Replacement
- Car Rental and Vehicle Glass Repair and Replacement
- Car Rental
- Automobile Distribution, Car Rental and Vehicle Glass Repair and Replacement

Financing structure: 3 separate financing pools (net debt as per 31 December 2009)

Net debt by activity



Net debt maturity profile by activity



The world has rarely had to face a financial and economic crisis as severe as the one we have just experienced. It spared no one. Particularly hard hit were those who were unable to transform it into an opportunity. To get off to a new start.

This is why Belron can be proud of achieving exceptional organic sales growth, why D'Ieteren Auto's result is above expectations, and why Avis Europe succeeds in keeping earnings stable. We assumed the world would not stop turning. But that it would turn differently.

2009. Resilience and agility.

2009 confirmed what 2008 had announced: an economic and financial crisis of unprecedented violence and worldwide proportions. In this very hostile environment, the report we present to you today can only fill us with pride: we exceeded expectations for the year and are able to announce an increased consolidated current result before tax, group's share, compared to 2008. This result was made possible by the agility demonstrated by the teams in our three activities, who addressed the crisis with a readiness to discard old ways of doing things and strike out on new paths. We congratulate them warmly.

The Belron teams posted a remarkable performance, maintaining strong organic sales growth in a stagnant market, while continuing their geographic expansion, culminating in their entry into the Asian continent. In a car rental market that turned out more depressed than expected, the Avis Europe teams resisted admirably, maintaining earnings levels through strategic positioning and strict implementation of the recovery plan initiated in anticipation of the recession. The D'leteren Auto teams, too, faced new challenges, including an unprecedented lack of visibility as to the direction of the automobile market and starting the year with a very high stock of vehicles. Thanks to their responsiveness and their adaptability, they nevertheless finished the year with a much better result than expected.

D'leteren also recently acquired an additional 16.35% stake in Belron, following the exercise by Cobepa of its put options on shares in the company. D'leteren's shareholding in Belron now stands at 93.7%.

The Group ended 2009 with a consolidated current result before tax, group's share, up 11.7% to EUR 214.2 million.

In Automobile Distribution, D'leteren Auto began 2009 in a climate of great uncertainty as to volumes. Far from precise, market forecasts were pointing to a 10 to 20 % drop in registrations. Stocks were high and running them down looked a daunting task. And, last but not least, arranging financing for dealer activities had become more difficult. Substantive measures were immediately introduced, including stringent cost controls, promotional activities to slim inventory, and strict management of receivables. These initiatives have borne fruit. Working capital need has been significantly reduced. Market share, in turn, fell only slightly in a market which declined less than forecast. Most makes made gains, with the exception of Volkswagen, whose range suffered in the first half from a lack of cars with more ecological engines and from the priority given by the Volkswagen group to the German market to take advantage of the scrapping bonus. Moreover, despite the liquidity crisis, our teams managed to renew the necessary operational funding, especially the securitization of the D'leteren Lease fleet.

None of this prevented D'leteren Auto from pursuing its many initiatives to better satisfy and retain customers and to reinvigorate the business, including upgrading its customer relationship management system and reshaping its parts and accessories warehouse.

The market in 2010 should remain relatively stable compared to 2009. Based on the lessons learned from this crisis year, D'leteren Auto will continue to work to increase its market share with new models and with a range of products and services that are constantly reviewed in the light of customer expectations for product quality and environmental performance.

In Vehicle Glass, Belron achieved a remarkable feat by maintaining strong organic sales growth in a slack market for vehicle glass repair and replacement. While benefiting from the favourable weather at the beginning and end of the year, Belron also took advantage of lower advertising rates following the crisis to increase its marketing activities.

This strategy has enabled it to increase its overall market share. It also continued its efforts in the area of customer satisfaction. It rolled out globally a new customer satisfaction measuring system and improved its logistics organization in the United States, where it opened a new distribution centre in California. The first prize in the 'European Supply Chain Excellence Awards' won by its logistics team reflects its outstanding work in this area.

This year, Belron reached another major milestone in its geographic expansion by opening a service point in China – marking its entry into the Asian market – where it plans to seize new growth opportunities. During the first half, the company also signed franchise agreements in Chile, Finland and Lithuania, bringing to thirty-two the number of countries where it is now present. Finally, the acquisition in September of Iowa-based IGD Industries has further expanded its presence in the United States.

In 2010, Belron should continue its internal and external sales growth, while pursuing its efforts to improve its service to customers, insurance companies and fleet managers, and increase operational efficiency.

In Car Rental, Avis Europe faced a market downturn that proved more severe than expected. The teams reacted quickly with an ambitious cost reduction plan and by rigorous fleet management, to the extent of improving the utilization rate by some four points. With these effective initiatives, they managed to almost completely offset the decline in turnover and reduce debt dramatically. These achievements demonstrate the effectiveness of both the plan put in place in anticipation of the recession and of the earlier investment in revenue management. Avis Europe ended the year by keeping its promise: to deliver a result equivalent to 2008.

In this unfavourable context, the Avis Europe teams remained commercially active. In particular, they continued their efforts in the area of customer service, winning several awards during the year.

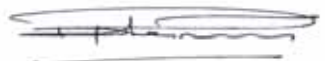
A new partnership was also concluded with British Airways and development of the OKIGO car-sharing scheme in Paris continued.

In 2010, with forecasts still uncertain, Avis Europe expects to continue its crisis management plan.

The year just ended also marks the end of a decade. A decade that has brought its share of unexpected events and of developments that loomed up on the horizon with no clear idea of timing: in particular a financial and economic crisis of extraordinary dimensions, a global and increasingly competitive society and the awareness that our Earth is fragile. We have not given way to either fear or resignation. We have traversed this decade of anxiety with confidence and success, holding our ground in 2009, a year that proved very difficult for many of us. If it is certain that things turn out more and more rarely as expected, the new year and new decade will undoubtedly offer further opportunities to demonstrate our agility.

All our employees, individually and in teams, are committed on a daily basis, with enthusiasm, energy and expertise, to satisfying our customers and to the sustainability of our business. Our future depends on them and we are very grateful for their commitment, year after year. We would equally thank our customers, our shareholders and our partners for their trust and loyalty which, this year again, have enabled us to brave the storm calmly and with confidence.


Jean-Pierre Bizet
Managing Director


Roland D'leteren
Chairman

One goal: leadership.

Automobile Distribution

- > 9 WELL-KNOWN CAR MAKES.
- > AROUND 100,000 NEW VEHICLE DELIVERED.



OUR ROLE

- > Importation and distribution of Volkswagen, Audi, Seat, Škoda, Bentley, Lamborghini, Bugatti and Porsche vehicles in Belgium;
- > Management of 5 distribution networks with more than 300 independent dealers throughout Belgium;
- > Management of 16 corporately-owned D'leteren Car Centers, of which 4 Porsche Centers, mainly in the Brussels and Antwerp regions;
- > Long-term car rental and finance leases through D'leteren Lease and D'leteren Vehicle Trading;
- > Used car sales through two "My Way" centres in the Brussels region and around 90 dealers affiliated to the "My Way Network";
- > Distribution of Yamaha products in Belgium and the Grand Duchy of Luxembourg through D'leteren Sport;
- > Importation and distribution of spare parts and accessories to all dealers.

OUR STRENGTHS

- > A more than 60-year relationship with the Volkswagen group;
- > In-depth knowledge of the Belgian automobile market, enabling to tailor product and service offerings to customer wishes;
- > A proven network organization that is both flexible and close to the customer;
- > Logistics, IT and marketing experience;
- > A 19.34% share of the new car market in 2009;
- > Around one million cars of our makes on Belgian roads.

Car Rental

- > OVER 3,800 LOCATIONS IN EUROPE, AFRICA, THE MIDDLE EAST AND ASIA.
- > SERVING AROUND 8 MILLION CUSTOMERS.



OUR ROLE

- > A leading mobility provider supplying short-term car rental services through:
 - two leading global brands: Avis and Budget in close cooperation with Avis Budget Group Inc., which owns the global rights to both brands;
 - a network of over 3,800 locations, corporately-owned or licensed, in more than 100 countries in Europe, Africa, the Middle East and Asia;
- > A leading car rental company adopting the "We Try Harder." ethos in every business relationship with customers, employees, shareholders, suppliers, licensees, partnerships and society as a whole.

OUR STRENGTHS

- > Two strong globally recognised brands – Avis and Budget;
- > Leading market positions;
- > An extensive worldwide network with representation at key airport and train station locations;

- > Strong travel-related partnerships with airlines, rail, credit card and hotel companies;
- > Award-winning customer service, differentiating the brands;
- > Diversified customer base and sales channels; balanced geographic spread.

Vehicle Glass

- > THE WORLD LEADER IN VEHICLE GLASS REPAIR AND REPLACEMENT.



OUR ROLE

- > World n°1 in vehicle glass repair and replacement (VGRR), with 1,800 branches and 8,500 mobile vans, serving more than 10 million customers in 32 countries across 5 continents;
- > A 24 hour, 7 days a week repair and replacement service, mobile or at its branches, generating high customer satisfaction;
- > A unique business model delivering our insurance partners significant savings in the cost of their glass claims.

OUR STRENGTHS

- > A clear dedication to, and focus on, vehicle glass repair and replacement;
- > A network of corporately-owned and franchised businesses across Europe, North and South America, Australasia and China;
- > A portfolio of business units operating in markets at different stages of maturity, enabling both profitability and growth opportunities;
- > The best known brands in the industry: CARGLASS® across continental Europe, in Brazil and in China, AUTOGLASS® in the UK, O'BRIEN® in Australia, SMITH & SMITH® in New Zealand, LEBEAU VITRES D'AUTOS®, SPEEDY GLASS®, DURO VITRES D'AUTOS® and APPLE AUTO GLASS® in Canada, and SAFELITE® AUTO GLASS, ELITE AUTO GLASS™, AUTO GLASS SPECIALISTS®, DIAMOND TRIUMPH GLASS™ and AUTO GLASS CENTER™ in the US;
- > Highly efficient operations achieved by the sharing of best practices across the group;
- > Numerous long-term partnerships with leading insurers and fleet partners.

D'Ieteren's activities are – or have the potential to become – market leaders. With very different geographic footprints, they offer attractive growth opportunities, either organically or through acquisition.



D'Ieteren Auto

KEY FIGURES (EUR million)	IFRS					
	2009	2008	2007	2006	2005	2004
New vehicles delivered (<i>in units</i>)	99,241	119,967	120,774	112,944	103,239	99,587
External sales	2,453.8	2,679.4	2,642.4	2,491.4	2,227.2	2,088.6
Current operating result ^{1,2}	65.8	88.5	98.7	81.9	56.1	64.1
Current result, group's share before tax ^{1,2}	42.9	60.6	74.7	59.5	36.1	48.7
after tax ^{1,2}	41.9	59.3	65.2	57.0	35.2	39.3
Average workforce (<i>average full time equivalents</i>)	1,565	1,650	1,601	1,571	1,505	1,493



Avis Europe plc

KEY FIGURES (EUR million)	IFRS					
	2009	2008	2007	2006 ⁵	2005	2004
External sales ^{4,6}	1,392.7	1,665.7	1,324.7	1,255.0	1,276.4	1,252.8
Current operating result ^{1,4}	103.4	112.7	106.5	89.8	100.4	114.2
Current result, group's share before tax ^{1,4}	20.9	22.5	22.0	17.8	22.7	31.1
after tax ¹	14.8	13.0	17.7	14.6	16.6	23.3
Average workforce (<i>average full time equivalents</i>)	5,319	5,967	6,122	6,276	6,253	6,166



Belron s.a.

KEY FIGURES (EUR million)	IFRS					
	2009	2008	2007	2006	2005	2004
Total jobs (<i>in million units</i>)	10,7	9.4	8.4	6.1	5.3	4.9
External sales	2,423.2	2,156.1	2,000.0	1,507.3	1,253.7	1,118.4
Current operating result ^{1,3}	215.5	173.9	156.5	119.9	99.2	96.1
Current result, group's share before tax ¹	150.4	108.6	97.6	72.0	59.8	44.2
after tax ¹	126.1	86.7	83.4	62.7	45.8	31.4
Average workforce (<i>average full time equivalents</i>)	22,399	20,833	18,281	12,731	10,932	9,794

1. Before unusual items and re-measurements.

2. The Automobile Distribution segment includes all costs related to the corporate activities, including (concerning current result), finance costs resulting from the investment in the Car Rental and Vehicle Glass segments.

3. Including, from 2005 on, a charge associated with the long-term incentive plan for management.

4. Excluding in 2006 and 2007 the discontinued operation in Greece (application of IFRS 5).

5. As restated in 2006 following the malpractice identified in Portugal.

6. Following the amendment to IAS 16 (see note 2.1. of the Consolidated Financial Statements in this annual report), external sales include from 2008 onwards the disposal proceeds of non-repurchase vehicles.

Major Risk Factors

AUTOMOBILE DISTRIBUTION

D'leteren Auto's activity is primarily based on close relations built during the last sixty years with the Volkswagen group and largely depending on the existence of import agreements between both parties. This close relationship also makes the results of D'leteren Auto dependent on the success of the models developed by the Volkswagen group. Furthermore, future developments of the European regulation concerning automobile distribution could potentially influence the competitive environment. The development of environmental standards or tax regulation on company cars could have a negative influence on volumes and mix of new vehicles sold. D'leteren Lease's fleet represents an important asset of which the value is largely depending on the used car market development.

CAR RENTAL

Given its extensive geographic coverage, Avis Europe's business is subject to various risks inherent to international operations and also risks associated with the demand for its services, which in itself is highly seasonal, including disruption to air travel. The group and its licensees are subject to competition from a wide range of other operators both directly and via intermediaries and brokers, increasing the prevalence and intensity of price competition. Fleet costs, one of the most important elements in operating costs, largely depend on the buying conditions negotiated with car manufacturers and the selling conditions on the used car market and therefore depend on the car industry conditions in general. It is important for the activity to have access to the necessary funds in order to finance the fleet. Avis Europe has agreements with Avis Budget Group Inc. (ABG) for the use of the licences of the Avis and Budget brands in specified territories and for the provision of computer systems, marketing initiatives and customer referrals. Any adverse changes to the terms of these agreements or any deterioration in ABG or its business or in the relationship with ABG could have an adverse effect on the group's financial condition and results of its operations. Significant risks would exist to the stability of the group's business if access to primary insurance and/or reinsurance was constrained, denied or available only at increased costs that could not be passed on in increased prices.

VEHICLE GLASS

Belron operates in the vehicle glass repair and replacement (VGRR) market which is dependent on various factors notably weather conditions, changes in the vehicle park and driving speed. Weather extremes create peaks in demand which need to be managed through flexible operations whilst changes in vehicle technology or traffic speed result in changes in breakage rates and thereby overall market size. The activity is also influenced by insurer decisions towards glass coverage and preferred suppliers. Changes in insurance coverage affect motorists' propensity to act on damage despite the associated safety risk. Belron employs around 22,000 full time equivalents and makes a significant investment in training to insure all its staff are appropriately qualified to fulfil their roles throughout the business. In addition, Belron uses sophisticated information technology and centralised distribution facilities which are key to the business operation and represent key risk points. In addition to its organic operational activities, Belron is also an acquisitive company and accordingly faces the usual risks associated with buying and integrating businesses. Considering its leading position in most markets, Belron also faces the risk with regard to competition law.

Risks related to financial instruments are explained in note 38 of the consolidated financial statements.

Corporate Governance

The Company adheres to the corporate governance principles set out in the Belgian Code of corporate governance 2009 published on the website www.corporategovernancecommittee.be. It has published since 1 January 2006 its Corporate Governance Charter on its website. The implementation of these principles takes into consideration the particular structure of the Company's share capital, with family shareholders owning the majority and having ensured the continuity of the Company since 1805. Exceptions to the principles are set out in point 5 of this Corporate Governance Statement.

1. BOARD OF DIRECTORS

Composition

The Board of Directors consists of:

- > six non-executive Directors, appointed on the proposal of the family shareholders;
 - > one non-executive independent Director, appointed on the proposal of Cobepa;
 - > four non-executive Directors, two of whom being independent, chosen on the basis of their experience;
 - > the Managing Director (CEO).
- The Chairman and the Deputy Chairman of the Board are selected among the

Directors appointed on the proposal of the family shareholders.

Roles and activities

Without prejudice to its legal and statutory attributions and those of the General Meeting, the roles of the Board are to:

- > determine the strategy and values of the Company;
- > approve its plans and budgets;
- > decide on major financial operations, acquisitions and divestments;
- > ensure that appropriate organisation structures, processes and controls are in place in order to achieve the Company's objectives and properly manage its risks;

- > appoint the Directors proposed by the Company for the boards of its main subsidiaries;
- > appoint and revoke the CEO and CFO of s.a. D'Ieteren n.v. as well as the CEO and CFO of D'Ieteren Auto and decide on their remuneration;
- > monitor and review performance of the executive management;
- > maintain effective communication with the Company's shareholders and other stakeholders;
- > set the dividend. In that framework, the Board of Directors intends to maintain its ongoing policy of providing the largest possible self-financing for

Board of Directors (as at 31 December 2009)		Age	End of term
Roland D'Ieteren ^{1,2}	Chairman of the Board; Director Avis Europe plc, Belron s.a.	67	May 2010
Maurice Périer ^{1,2}	Deputy Chairman of the Board; Director of companies Director Belron s.a.	71	May 2011
Jean-Pierre Bizet	Managing Director; Executive Deputy Chairman Avis Europe plc; Chairman of the board Belron s.a.	61	May 2011
Nicolas D'Ieteren ^{1,2}	Managing Partner Ereno s.p.r.l.	34	May 2011
Pascal Minne ³	Managing Director Petercam	59	May 2010
Olivier Périer ^{1,2}	Architect; Founding Partner Urban Platform s.c.r.l.	38	May 2011
Alain Philippson ⁵	Director Banque Degroof, C.F.E.	70	May 2013
Gilbert van Marcke de Lummen ⁴	Director of companies; Director Cofinimmo s.a.	72	May 2011
Christian Varin ³	Managing Director Cobepa; Director Sapec, Carrières du Hainaut, ISOS, J.F. Hillebrand	62	May 2010
Christine Blondel ³	Senior advisor, Centre International Wendel pour L'Entreprise familiale, INSEAD; Director Compagnie du Bois Sauvage	51	May 2013
s.a. de Participations et de Gestion ^{1,6}	Permanent representative: Patrick Peltzer	69	May 2010
Nayarit Participations s.c.a. ¹	Permanent representative: Etienne Heilporn	70	May 2010

1. Director appointed on the proposal of the family shareholders. 2. Director descendant of, or related to, the founding family. 3. Independent Director. 4. Former Executive. 5. Baron Alain Philippson lost his quality of independent Director in May 2009 in accordance with article 526ter of the Company Code, which provides that a director is no longer independent at the expiry of his third directorship or after 12 years. 6. The permanent representative of this Director is, as from 1 January 2010 on, Michel Allé, Chief Finance Officer SNCB-Holding.

Corporate Governance

the development of the Group, while ensuring regular dividend growth, results permitting.

The Board of Directors meets at least six times a year. Additional meetings are held when business needs require. Decisions of the Board of Directors are taken by a majority of votes, the Chairman having a casting vote in case of a tie.

In 2009, the Board met 9 times. All Directors participated to the Board meetings, except Messrs N. D'leteren, O. Périer, P. Peltzer, A. Philippson and G. van Marcke de Lummen, who have each been excused for one meeting.

Tenures of Directors

The Ordinary General Meeting held on May 28, 2009 decided to appoint Mrs Christine Blondel as independent Director for a four-year term and to renew the directorship of Baron Alain Philippson for a four-year term.

Committees of the Board of Directors

At the beginning of 2005, the Board set up two **Board Committees**:

- > the **Audit Committee** met 4 times in 2009, 2 of which in the presence of the Statutory Auditor, and reported on its activities to the Board of Directors;
- > the **Nomination and Remuneration Committee** met 2 times in 2009 and reported on its activities to the Board of Directors.

Operation of the Committees

Audit Committee

The Audit Committee comprises four non-executive Directors at the most with proven expertise in accountancy and audit, of which at least one independent; the Chairman, who can be represented by the Deputy Chairman, is invited to the meetings. The Audit Committee's terms

of reference include mainly: monitoring the Company's financial statements, reviewing the risk management function and ensuring the effectiveness of external and internal audit. The Committee will review auditors' reports on half-year and year-end financial statements of the subsidiaries which are consolidated into the Company's accounts. The Audit Committee meets at least four times a year, of which one per semester in the presence of the Statutory Auditor, and reports on its activities to the Board of Directors. The Audit Committee's Charter adopted by the Board is set out in Appendix I of the Charter published on the Company's website.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises four non-executive Directors at the most, among whom the Chairman of the Board, who chairs it, and at least one independent Director. The Committee will make proposals to the Board regarding appointments and remuneration of directors and executive management of the Company, and ensure the Company has formal, rigorous and transparent procedures to support these decisions. The Committee meets at least three times a year and reports on its activities to the Board of Directors. The Nominations and Remuneration Committee's Charter adopted by the Board is set out in Appendix II of the Charter published on the Company's website.

Consultation Committee

The Chairman and the Deputy Chairman meet monthly with the Managing Director, as the Consultation Committee, to keep in close relation with each other, monitor the Company's performance, review progress on major projects and prepare the Board of Directors' meetings.

Policy for transactions and other contractual relationships not covered by the legal provisions on conflicts of interest

Directors and managers are not authorised to provide paid services and to purchase or sell goods directly or indirectly to the Company or to companies in its group within the framework of transactions not covered by their mandates or duties without the specific consent of the Board of Directors, except for transactions realised in the normal course of business.

They are bound to consult the Chairman or Managing Director who shall decide whether an application for derogation may be submitted to the Board of Directors and, in such case, notify the details of the transaction to the Secretary of the board, who will ensure that the related legal measures are applied. Such transactions shall not be authorised in any event save where effected at market conditions.

Evaluation of the Board and its Committees

During 2009 the Board carried out an evaluation of its own performance and that of its Committees. It took notably into account their composition, organisation and the meetings' contents, their relationship with the majority shareholder and with the executives, to assess their effectiveness and to take, if necessary, any appropriate action based on the results of the evaluation.

2. GROUP EXECUTIVE MANAGEMENT

The Managing Director of s.a. D'leteren n.v. is responsible for the Group executive management. He is assisted by the Corporate management team, in charge, at Group level, of finance, financial communication, investor relations, accounts consolidation, legal and tax

Composition of the Committees

(as at 31 December 2009)

	Nomination and Remuneration Committee	Audit Committee ²
Chairman	Roland D'leteren	Pascal Minne ¹
Members	Pascal Minne ¹ Alain Philippson	Gilbert van Marcke de Lummen Christian Varin ¹

1. Independent Director. 2. Considering their training and management experience in companies with financial character, the members of the Audit Committee have the expertise in accounting and audit required by the law.

matters and management control.

The Group Chief Financial Officer, the Group Chief Legal Officer and the Group Treasurer are also part of the executive management at Group level.

3. EXECUTIVE MANAGEMENT OF THE THREE SECTORS

The activities of the D'leteren Group are organised in three sectors.

The **Automobile Distribution sector** - D'leteren Auto, an operational department of s.a. D'leteren n.v. without separate legal status - is managed by the CEO D'leteren Auto, reporting to the Group Managing Director. The CEO D'leteren Auto chairs the management committee of D'leteren Auto, comprising seven other members with responsibilities for D'leteren Car Centers, Finance, Group Service, IT, Marketing, Makes and Human Resources.

The **Car Rental sector** comprises Avis Europe plc and its subsidiaries. At 31 December 2009, Avis Europe plc is governed by a board of directors of nine members: three are appointed on the proposal of s.a. D'leteren n.v., three are independent directors, and two are full time executive directors. The current non-executive chairman of the board is a former Avis CEO. D'leteren's Managing Director is executive deputy chairman of the board. The board of directors of Avis Europe plc has three board committees: the audit committee, comprising three independent directors, the nomination committee and the remuneration committee, each comprising one of the directors proposed by s.a. D'leteren n.v. Listed on the London Stock Exchange, Avis Europe plc is in compliance with the provisions of the Combined Code, with a few exceptions fully disclosed in its annual report. The rights and obligations of the directors appointed on proposal of s.a. D'leteren n.v., and those of s.a. D'leteren n.v. as a shareholder, are set out in the Relationship Agreement entered into at flotation in 1997.

The **Vehicle Glass sector** comprises Belron s.a., in which D'leteren and Cobepa

own, at 31 December 2009, respectively a 77.38% and 16.35% shareholding, and its subsidiaries¹. At 31 December 2009, Belron s.a. is governed by a board of directors consisting of eleven members, four of which are appointed on proposal of D'leteren, two of which are appointed on proposal of the Cobepa group, one is appointed on proposal of the founding shareholders, two are executive directors and two are independent directors¹. The Managing Director of D'leteren is member of the board and chairs it. The board of directors of Belron s.a. has two board committees: the audit committee and the remuneration committee, each chaired by a director appointed on proposal of D'leteren.

4. REMUNERATION REPORT

Developing a remuneration policy and setting remuneration for the Group's non-executive directors and executive managers.

Remuneration policy for non-executive directors and for the Group's executive management is set by the Board of Directors based on recommendations put forward by the Nomination and Remuneration Committee. The subsidiaries Avis Europe plc and Belron s.a., comprising minority shareholders, have their own board of directors and remuneration committee, which determine the remuneration policy of their own non-executive directors and executive managers.

At the end of each financial year D'leteren's Nomination and Remuneration Committee examines:

- > any proposals for changing the remuneration of the non-executive directors during the following year;
 - > proposals concerning variable remuneration of executive managers during the past year, any changes to their fixed compensation and defining their variable compensation target for the following year
- and submits them for approval to the Board.

Remuneration of non-executive directors

Company policy is to offer compensation at levels that will attract to the Board and retain directors with wide-ranging expertise in the various areas needed to develop profitably the Company's activities. Directors receive a fixed annual salary. Some directors also receive additional fixed remuneration for specific services such as Chairman or Vice-Chairman of the Board, or for participation in one or more Board committees. In addition, Avis Europe plc and Belron s.a. remunerate certain directors for the exercise of directorships on their boards.

The Company communicates the remuneration of its non-executive directors on a global basis. The Board believes that shareholders and investors are adequately informed if the overall cost of the collegial body of governance (except the Managing Director) formed by the Board is communicated to them, without having to know each director's individual situation.

For the year ended 31 December 2009, an amount of EUR 1,509,595 has been paid to non-executive directors by the Company and by Group subsidiaries. No other benefit or payment, loan or guarantee has been granted to them by D'leteren.

Remuneration of the Group's executive management

Group policy is to pay compensation at levels that will attract and retain, in the various activities, managers having the appropriate profile, and to motivate them by means of adequate incentives. This policy is based on criteria of external equity, measured in terms of comparable functions outside the Group, and of internal equity among colleagues within the Company.

¹ Early September 2009, Cobepa exercised its put options on 16.35% of Belron's equity capital. The transaction took place on 7 February 2010, bringing D'leteren's interest in Belron from 77.38% to 93.73%. At the same date, the directors formerly appointed on proposal of the Cobepa group have been temporarily replaced by directors appointed on proposal of D'leteren subject to ratification of these appointments by Belron's Annual Shareholders' meeting.

The remuneration of the executive management comprises:

- > a fixed remuneration, consisting of a base remuneration, employer's contributions to pension schemes and other benefits;
- > a variable remuneration composed of annual premiums and of share options tied to the individual performances of the executive managers concerned related to their quantitative and qualitative objectives.

The Managing Director does not receive any remuneration for his participation in the Board of Directors.

The pension schemes are of the defined contribution type.

A target annual bonus is set at the beginning of the year. Depending on individual performance, the bonus actually paid at the beginning of the following year may vary within a range of 50% to 150% of this target.

The long-term incentive programme consists of granting a specific number of D'leteren share options (see below) and, where appropriate, options on a basket of third-party shares. These options are valued at, respectively, 10% and 20% of the exercise price, considering a vesting period of respectively 3 and 1 year(s).

In 2009, the total remuneration of the executive management, expressed in gross amounts and, if need be, except employers' contributions for social security, amounted to EUR 1,863,528 for the Managing Director, and EUR 1,214,602 for the other executive managers. The variable part of those remunerations represents respectively 35% and 37.4% of the total amount.

D'leteren share options

The features of the D'leteren share option schemes organized for managers of the Company were approved by the Ordinary General Meeting of 26 May 2005, which authorized the Board to organize annual share option schemes for managers of the Company with at least three years' service. These options may be exercised between 1 January of the third year following the launch date of the offer

and the end of the tenth year after this, except during the two-month periods preceding the announcement of the annual and semi-annual financial results. These options entitle the holders to acquire, with the possibility of immediate resale, existing shares of the Company at a price corresponding either to the average price during the 30 working days working before the offer date or at the closing price of the immediately preceding business day. The number of options offered by management category and the exercise price are determined on the advice of the Nomination and Remuneration Committee.

Pursuant to the possibility offered by Article 21 of the Economic Recovery Act of 27 March 2009, the Board of Directors decided on 28 May 2009 to extend for a 5-year period the share option schemes of years 2003 to 2007 inclusive. Further details on the share option schemes are provided in note 37 to the consolidated accounts.

In 2009, 3,125 D'leteren share options were granted to executive managers (1,400 options to the Managing Director and 1,725 options to the other executive managers) at an exercise price per share of EUR 240.

Main contract conditions concerning the departure of members of the executive management

The employment contracts of Managing Director and other members of executive management do not provide for severance pay upon termination of contract. Should such a case arise, the parties will negotiate in good faith to determine the terms and conditions applicable to such termination. In case of disagreement, the dispute will be resolved by courts applying Belgian law.

5. DEROGATIONS TO THE BELGIAN CORPORATE GOVERNANCE CODE

The Company derogates from the Code on the following principles:

> Derogation to principle 2.2.

The group of directors appointed on the proposal of the family shareholders are in a position to dominate the

decisions. In companies where family shareholders own a majority in the share capital, these shareholders have not, like others, the opportunity to sell their shares if they do not agree with the orientations defined by the Board. Their par or majority representation in the Board gives them the possibility to influence these orientations and thereby ensure the stability of shareholding necessary to the profitable and sustainable development of the Company. The potential risks for the corporate governance resulting from a tight control by the majority shareholder on the working of the Board can be mitigated, on the one hand, by an appropriate use of this power by the directors concerned in respect of the legitimate interests of the Company and of the minority shareholders and, on the other hand, by the durable presence of non-executive directors not representative of the family shareholding guaranteeing a real dialogue within the Board.

> Derogation to principles 5.2./4, 5.3./1 and 5.4./1.

The composition of the consultative committees of the Board, including at least one independent director, can derogate from the Belgian Corporate Governance Code which recommends the presence of a majority of independent directors.

The Board indeed considers that in-depth knowledge of the Company is at least as important as the statute of independent director.

> Derogation to principle 7.8.

The Company discloses globally the remunerations paid to Board members. The Board believes that the shareholders are adequately informed if the total cost of the Board, as a collegial governing body, is disclosed without details by individual director.

> Derogation to principle 8.8.

The provision that "each shareholder holding at least 5% of the capital shares can submit proposals to the General Meeting" is not applied. Except for the family groups, there is currently only one shareholder holding more than 5%

of the capital and he is linked to each family group with whom he is acting in concert.

Those exceptions to the principles are also set out under Title 5 of the Corporate Governance Charter available on the Company's website.

6. EXTERNAL AUDIT

The external audit is conducted by SC BDO Delvaux, Fronville, Servais et Associés, Réviseurs d'entreprises - Bedrijfs-revisoren, represented by Gérard Delvaux and Jean-Louis Servais, until the Ordinary General Meeting in 2011.

The fees charged by the Statutory Auditor and linked companies for the work carried out in 2009 on behalf of Group Companies in connection with the compulsory control of the statutory and consolidated financial statements amounted to EUR 224,500 (excl. VAT). Further fees of EUR 21,381 (excl. VAT) were charged for non-audit missions of which EUR 12,632 for other specific assignments and EUR 8,749 for fiscal advice.

7. RISK MANAGEMENT AND INTERNAL CONTROL

The Directors have continued to review the effectiveness of the Group's system of controls, including operational and compliance controls, risk management and the Group's internal control arrangements. Such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

These reviews have included an assessment of both financial and operational internal controls by the internal audit of each activity and reports from the external auditor on matters identified in the course of its statutory audit work.

Internal control environment

The Directors are responsible for the system of internal control and for regularly reviewing its effectiveness.

The system of internal control includes but is not limited to:

- > clear definition of the organisation structure and the appropriate delegation of authorities to management;
- > maintenance of appropriate segregation of duties together with other procedural controls;
- > strategic planning and the related annual budgeting and regular review process;
- > monthly reporting and review of financial results and key performance statistics;
- > adoption of accounting policies to help ensure the consistency, integrity and accuracy of the Group's financial records;
- > specific treasury policies and the regular reporting and review of all significant treasury transactions and financing activities;
- > procedures for the authorisation of capital expenditure;
- > internal audit reviews.

The Group Audit Committee or the audit committees of each activity have reviewed the effectiveness of the system of internal control through the following processes:

- > review of internal and external audit plans;
- > review of significant reported unsatisfactory control matters;
- > review of control issues that arise from internal and external audits together with any additional matters brought to its attention;
- > review of significant risks identified by the Group's risk management process;
- > discussions with management on significant new risk areas identified by management and the internal and external audit processes.

The Group Audit Committee receives a regular report on the work carried out by the audit committee of each activity.

Assessment of business risk

The Group ensures business risks, whether strategic, operational, legal, reputational, financial and environmental risks, are both understood and visible as far as practicable. The Group's policy is to ensure that risk is taken on an informed rather

than unintentional basis.

Each activity conducts an annual risk review and updates its risk register with each risk's impact, probability and mitigation actions. This approach forms the cornerstone of the risk management activities of the Group, the aim of which is to provide the assurance that the major risks facing the Group have been identified and assessed, and that there are controls either in place or planned to manage these risks.

A summary of the principal risks facing the Group has been reviewed and approved by the Audit Committee and is provided on page 104 of this annual report.

Internal audit

Each activity has its own internal audit and risk management function, which is independent of its external auditors and which may work with an outsourced provider, where specialist skills are required. The audit committee of each activity ensures that these functions are appropriately staffed and that their scope of work is adequate in the light of the key identified risks facing the activity. It also reviews and approves an annual internal audit plan.

The audit committee of each activity ratifies the appointment and dismissal of its internal audit manager and assesses his independence and objectivity and helps ensure that he has unfettered access to management and the audit committee.

The role of internal audit of each activity is to:

- > assess the design and operating effectiveness of controls governing key operational processes and business risks;
- > provide an assessment, independent of management, as to the adequacy of the activity's internal operating and financial controls, systems and practices;
- > provide advice to management in order to enhance the control environment and improve business performance.

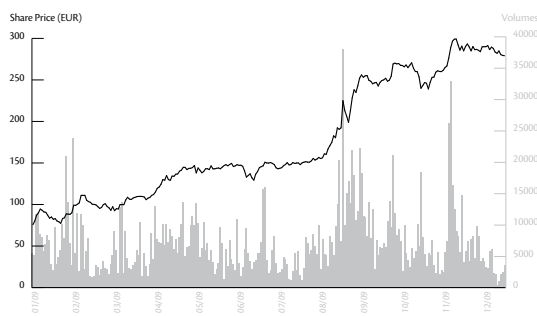
Share Information

D'leteren share

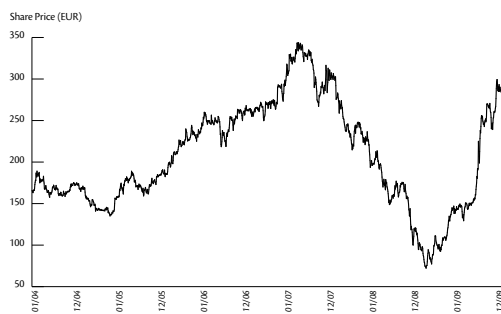
Financial year from 1 January to 31 December

Minimum lot	1 share
ISIN code	BE 0003669802
Sicovam code or security code	941039
Reuters code	IETB.BR
Bloomberg code	DIE.BB
FTSE classification	Business Support Services

Evolution of the share price and traded volumes in 2009



Evolution of the share price over 5 years (EUR)



Detailed and historic information on the share price and the traded volumes are available on the websites of D'leteren (www.dieteren.com) and NYSE Euronext (www.nyseeuronext.com). Avis Europe, a 59.6% subsidiary of D'leteren, is listed on the London Stock Exchange in the Transport sector (code AVEL).

Indices

D'leteren share forms part of the Next 150 and BEL MID indices of NYSE Euronext with respective weighting of 1.09% and 5.60% as at 5 March 2010. It also forms part of sector indices published by Dow Jones, Eurostoxx and Bloomberg.

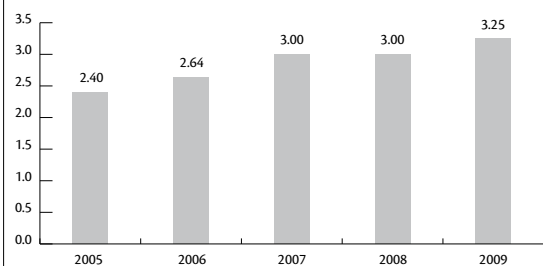
Dividend

If the allocation of results proposed on note 29 of this Annual Report is approved by the Ordinary General Meeting of 27 May 2010, a gross dividend for the year 2009 of EUR 3.2500 per share will be distributed, i.e.:

- > a net dividend of EUR 2.4375 in return for coupon n°19, after deduction of the withholding tax of 25%;
- > a net dividend of EUR 2.7625 in return for the coupon and VVPR strip n°19, after deduction of the withholding tax of 15%.

Payment of the dividend will take place as from 3 June 2010 at the head offices and branches of Bank Degroof.

Gross dividend per share (EUR)



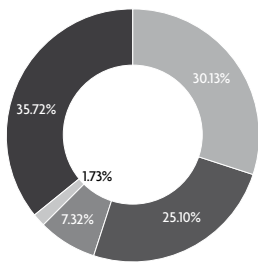
Capital Information

Denominator

31 December 2009	Number	Related voting rights
Ordinary shares ¹	5,530,262	5,530,262
Participating shares ¹	500,000	500,000
Total		6,030,262

1. Each of the shares and participating shares grants a voting right.

Shareholding structure



31 December 2009 - in voting rights

Nayarit Group	30.13%
SPDG Group	25.10%
Cobepa s.a.	7.32%
Own shares	1.73%
Public	35.72%

Information about the statement of capital can be found in note 29 of this Annual Report.

Disclosure of significant shareholdings (transparency law)

Following the entry into effect, on 1 September 2008, of the new Belgian legislation on transparency, s.a D'leteren n.v. received, on 31 October 2008, notifications of major shareholdings on the part of its significant shareholders.

In compliance with article 14 paragraph 4 of the Law of 2 May 2007 on the disclosure of significant shareholdings, the shareholding structure such as it results from the notifications received by the Company is presented in note 29 of the financial report (see page 84).

The Company is not aware of any subsequent notification modifying the information presented in note 29.

Law on takeover bids

According to article 74 § 7 of the Law of the 1st of April 2007 on takeover bids, s.a. D'leteren n.v. received on 20 February 2008 notifications from the Nayarit Group (whose members are listed in note 29 of the financial report, see page 84), which include all legally required statements and in particular mention that, separately or acting in concert with other people, the Nayarit Group owns on 30 September 2007 more than 30% of the voting securities issued by the Company.

Elements that can have an influence in case of a takeover bid on the shares of the Company

The Extraordinary General Meeting of 28 May 2009 has renewed the authorization to the Board to increase the share capital in one or several times by a maximum of EUR 60 million. The capital increases to be decided upon in the framework of the **authorized capital** can be made either in cash or in kind within the limits set up by the Company Code, or by incorporation of available as well as non-available reserves or a share premium account, with or without creation of new shares, either preference or other shares, with or without voting rights and with or without subscription rights. The Board of Directors may limit or waive, in the Company's best interest and in accordance with the conditions determined by the law, the preferential subscription right for the capital increases it decides, including in favour of one or more determined persons.

The Board of Directors is also entitled to decide, in the framework of the authorized capital, on the issuance of convertible bonds, subscription rights or financial instruments which may in term give right to Company shares, under the conditions set up by the Company Code, up to a maximum, such that the amount of the capital increases which could result from the exercise of the above mentioned rights and financial instruments does not exceed the limit of the remaining capital authorized as the case may be, without the preferential subscription right of bondholders.

Without prejudice to the authorization given to the Board of Directors according to the previous paragraphs,

the Extraordinary General Meeting of 29 May 2008 has explicitly authorized the Board of Directors, for a renewable 3-year period, to proceed – in the event of takeover bids on the Company's shares and provided the required notification has been made by the CBFA within a 3-year period – to capital increases by contribution in kind or in cash, as the case may be, without the preferential subscription right of shareholders.

By decision of the same Meeting, the Board of Directors has been authorized to purchase **own shares**, without prior approval of the Assembly, in order to prevent the Company from suffering a severe and imminent damage, for a renewable 3-year period, starting from the date of publication of the decisions taken to amend the articles of association in the appendixes of the Belgian Official Gazette. The Board is also authorized, in order to prevent the Company from suffering a severe and imminent damage, to sell own shares on the stock exchange or through a sale offer made under the same conditions to all shareholders in accordance with the law. These authorizations also apply, under the same conditions, to the purchase and sale of the Company's shares by subsidiaries in accordance with clauses 627, 628 and 631 of the Company Code.

Finally, the Extraordinary General Meeting of 28 May 2009 granted the Board a 5-year authorization to purchase own shares under the legal conditions, notably to cover stock option plans for managers.

The rules governing the **appointment and replacement of Board members** and the **amendment of the articles** of association are those provided for by the Company Code.

The **change of control clauses** included in the credit agreements concluded with financial institutions and in the prospectus for the public offering of 23 December 2009 will be submitted to the approval of the General Shareholders' Meeting of 27 May 2010, in accordance with article 556 of the Company Code.

Consolidated Directors' Report

Content of the Consolidated Directors' Report	Page(s) of the annual report
Evolution of the situation, activities and results of the Company	2-3, 10-12-13, 24-26-27, 34-36-37
Major risk factors and uncertainties	104
Subsequent events	98
Circumstances susceptible of having a significant influence on the development of the consolidated group	N/A
Research and development	N/A
Financial risk management	92-93-94-95
Increase of capital, issue of convertible debentures or subscription rights	N/A
Interim dividend	N/A
Acquisition of own shares	83-84
Elements that may have an impact in the event of a takeover bid	111-112
– Structure of the capital	
– Agreements between shareholders	
– Any significant agreement which takes effect, alter or terminate upon a change of control of the issuer following a takeover bid	
– Statement(s) according to the Law on takeover bids	
– Share capital protection	
Independence and expertise in accounting and audit of at least one member of the Audit Committee	106

FINANCIAL CALENDAR

21 May 2010

Last day for the deposit of shares for the Ordinary General Meeting

27 May 2010

Ordinary General Meeting

3 June 2010

Payment of the dividend for the year 2009

27 August 2010

Publication of the results for the first half 2010

March 2011

Publication of the annual results 2010

PRESS AND INVESTOR RELATIONS

Stéphanie Ceuppens

Financial Communication

s.a. D'leteren n.v.

rue du Mail, 50

B-1050 Brussels

Belgium

Tel.: + 32-2-536.54.39

Fax: + 32-2-536.91.39

E-mail: financial.communication@dieteren.be

Website: www.dieteren.com

VAT BE 0403.448.140 - Brussels RPM

Information about the Group (press releases, annual reports, financial calendar, share price, statistical information, social documents...) is available, free of charge, mostly in three languages (French, Dutch, English), on the website: www.dieteren.com, or on request.

Ce rapport annuel est également disponible en français.
Dit jaarverslag is ook beschikbaar in het Nederlands.

Concept and realisation:

The Crew

www.thecrewcommunication.com

Photography:

Jean-Michel Byl - Clair Obscur,

Nicolas Van Haren, D'leteren Gallery archives

and picture libraries Audi, Avis, Belron,

Bentley, Budget, Carglass, Lamborghini, Seat,

Škoda, Porsche, VW, Yamaha, Gettyimages,

Shutterstock.

Printing: Joh. Enschedé - Van Muysewinkel

The major trading brands of the Belron® Group: Belron®, the Belron® Device, Autoglass®, Carglass®, Glass Medic®, Lebeau Vitres d'Autos®, Duro®, Speedy Glass®, Apple Auto Glass®, Safelite® Auto Glass, Elite Auto Glass®, Auto Glass Specialists®, Diamond Triumph Glass®, Auto Glass Center®, O'Brien® and Smith&Smith® are trademarks or registered trademarks of Belron s.a. and its affiliated companies.

Forward-looking statements

This Annual Report 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 D'leteren's control. Should one or more of these risks, uncertainties or contingencies materialize, 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.

