Carglass A/S

Naverland 2
2600 Glostrup

CVR no. 20 71 81 96

Annual report for the period 1 January to 31 December 2015

The annual report was presented and adopted at the annual general meeting of the Company on 24 May 2016

Chairman
JØRGEN KÆRGAARD MADSEN

Contents

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Carglass A/S for the financial year 1 January - 31 December 2015.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 and of the result of the Company's operations for the financial year 1 January - 31 December 2015.

In our opinion, the Management's review includes a fair review of the development in the Company's operations and financial conditions, the results for the year and the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Glostrup, 24 May 2016

Executive Board

Carina Bukkehave

Board of Directors

Nigel Jeremy Doggett Chairman	Carina Bukkehave	Jan-Eric Erichsen

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 Copenhagen Ø
Denmark

Telephone 70707760
www.kpmg.dk
CVR no. 25578198

Independent auditor's report

To the Shareholder of Carglass A/S

Independent auditor's report on the financial statements

We have audited the financial statements of Carglass A/S for the financial year 1 January - 31 December 2015. The financial statements comprise accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

KPMG

Independent auditor's report

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 24 May 2016

KPMG
Statsautoriseret Revisionspartnerselskab

Klaus Rytz
State Authorised
Public Accountant

Management's review

Company details

The Company	Carglass A/S Naverland 2 2600 Glostrup	
	Telephone: Website:	+45 70 11 99 11 www.carglass.dk
	CVR no.: Financial Period: Municipality of reg. office:	20 71 81 96 1 January - 31 December Glostrup
Board of Directors	Nigel Jeremy Doggett, Chairman Carina Bukkehave Jan-Eric Erichsen	
Executive Board	Carina Bukkehave	
Auditors	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 2100 Copenhagen Ø	
Consolidated Financial Statements	The Company is included in the consolidated financial statements of s.a. D'Ieteren n.v. The consolidated financial statements of s.a. D'Ieteren n.v. may be obtained at the following address: s.a. D'Ieteren n.v. Rue du Mail 50 B-1050 Brussels Belgium	

Management's review

Financial highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	2015	2014	2013	2012	2011
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Gross profit/loss	50,504	50,336	49,530	44,142	45,740
Profit/loss before financial income and expenses	-8,241	-4,590	-3,170	-5,841	-7,894
Net profit/loss for the year	-8,243	-4,622	-3,417	-6,365	-8,103
Balance sheet total	27,796	29,434	32,799	38,704	40,467
Equity	7,016	15,259	19,881	5,798	12,163
Ratios					
Return on assets	-28.8%	-14.8%	-8.9%	-14.8%	-19.6%
Solvency ratio	25.2%	51.8%	60.6%	15.0%	30.1%
Return on equity	-74.0%	-26.3%	-26.6%	-70.9%	-50.0%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's review

Core activity

The Company's primary activity is Vehicle Glass Repair and Replacement.

Development in activity and financial position

Prior year's positive development continued through 2015 with a 12% increase in revenue. As the market in general has not increased, the Company has further grown its market share.

The Company's income statement for the year ended 31 December 2015 shows a net loss of TDKK 8,243 and the balance sheet at 31 December 2015 shows equity of TDKK 7,016. The operating result this year was negatively impacted by strategic costs and is overall considered satisfactory. These activities are expected to have a positive impact on the operating result for 2016.

The Company's owners have issued a statement in which they commit to support operations for the coming year.

Subsequent events

No events have occurred after the financial year-end, which could significantly impact the Company's financial position.

Financial statements 1 January - 31 December

Accounting policies

The annual report of Carglass A/S for 2015 has been prepared in accordance with the provisions applying to reporting class C medium-sized enterprises under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

In accordance with section 86(4) of the Danish Financial Statements Act, no cash flow statement is prepared as the Company is included in the consolidated financial statements of s.a. D'Ieteren n.v., Belgium.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the Company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income Statement

Gross profit

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue' to and including 'Other external costs' are consolidated into one item designated 'Gross margin'.

Financial statements 1 January - 31 December

Accounting policies

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement provided that delivery and transfer of risk to the buyer has been made before year end and that the income can be reliably measured and is expected to be received. Revenue is measured excluding VAT and taxes charged on behalf of third parties.

Revenue is measured at fair value of agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

Expenses for consumables

Expenses for raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Other operating income

Other operating income comprises items of a secondary nature relative to the Company's activities, including gains on the sale of intangible assets and property, plant and equipment.

Other external costs

Other external costs include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the Danish tax prepayment, etc.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity. The tax expense recognised in the income statement relating to the extraordinary profit/loss for the year is allocated to this item whereas the remaining tax expense is allocated to the profit/loss for the year for ordinary activities.

Financial statements 1 January - 31 December

Accounting policies

Balance Sheet

Intangible assets

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation and write-downs. Goodwill is amortised on a straight-line basis over the expected useful life, which is estimated at 10 years.

Software

Software is measured at cost with deduction of accumulated amortisation. Software depreciation is based on a straight-line basis over the expected useful life, which is estimated at 3-5 years.

Property, plant and equipment

Leasehold improvements, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Leasehold improvements	5-10	years
Fixtures and fittings, tools and equipment	3-5	years

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating costs, respectively.

Investments

Investments consist of deposits and are measured at cost.

Impairment of assets

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Financial statements 1 January - 31 December

Accounting policies

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, a write-down is made.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The objective indicators used in relation to portfolios are determined on the basis of past payment default.

Prepayments

Prepayments comprise prepaid expenses regarding subsequent financial years.

Deferred tax assets and liabilities

Current tax payable and receivable is recognised in the balance sheet as calculated tax on profit/loss for the year, adjusted tax from previous years, and on account payments.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Financial statements 1 January - 31 December

Accounting policies

Deferred tax assets, including the tax base of tax loss carry forwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured on the basis of the tax rules and tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. The change in deferred tax as a result of changes in tax rates is recognised in the income statement.

Financial liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Financial highlights overview

The financial ratios have been calculated as follows:

Return on assets	Profit before financials x 100 / Average assets
Solvency ratio	Equity at year end x 100 / Total assets
Return on equity	Net profit for the year x 100 / Average equity

Financial statements 1 January - 31 December

Income statement

	Note	2015 TDKK	2014 TDKK
Gross profit		**50,504**	**50,336**
Staff costs	2	-54,101	-50,052
Depreciation and write-down of property, plant and equipment		-4,644	-4,874
Profit/loss before financial income and expenses		**-8,241**	**-4,590**
Other financial income		39	32
Other financial expenses	3	-41	-64
Profit/loss before tax		**-8,243**	**-4,622**
Tax on profit/loss for the year		0	0
Profit/loss for the year		**-8,243**	**-4,622**
Retained earnings		-8,243	-4,622
		-8,243	**-4,622**

Financial statements 1 January - 31 December

Balance Sheet at sheet

	Note	2015 TDKK	2014 TDKK
Assets			
Software		891	1,190
Goodwill		9,040	12,278
Intangible assets	4	**9,931**	**13,468**
Other fixtures and fittings, tools and equipment		1,781	2,006
Leasehold improvements		304	487
Property, plant and equipment	5	**2,085**	**2,493**
Deposits		948	1,476
Investments		**948**	**1,476**
Total non-current assets		**12,964**	**17,437**
Finished goods and goods for resale		3,629	3,068
Inventories		**3,629**	**3,068**
Trade receivables		7,579	4,581
Receivables from group enterprises		18	1,716
Other receivables		299	118
Prepayments		1,737	1,431
Receivables		**9,633**	**7,846**
Cash balance		**1,570**	**1,083**
Total current assets		**14,832**	**11,997**
Total assets		**27,796**	**29,434**

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Balance sheet at sheet

	Note	2015 TDKK	2014 TDKK
Equity and liabilities			
Share capital		1,005	1,005
Retained earnings		6,011	14,254
Total equity	6	**7,016**	**15,259**
Trade payables		3,792	3,290
Payables to group enterprises		5,389	1,430
Other payables		11,599	9,455
Current liabilities		**20,780**	**14,175**
Total debt		**20,780**	**14,175**
Total equity and liabilities		**27,796**	**29,434**

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Statement of changes in equity

	Share capital	Retained earnings	Total
		TDKK	TDKK
Equity at 1 January 2015	1,005	14,254	15,259
Net profit/loss for the year	0	-8,243	-8,243
Equity at 31 December 2015	**1,005**	**6,011**	**7,016**

Financial statements 1 January - 31 December

Notes

1 Development in the Company's activities and financial position

Loss for the year amounted to DKK 8,243 thousand, and the Company's equity amounted to positive DKK 7,016 thousand at 31 December 2015.

The Company's owners have issued a statement in which they commit to support operations for the coming year.

	2015	2014
	TDKK	TDKK
2 Staff costs		
Wages and salaries	49,409	45,505
Pensions	3,626	3,455
Other social security costs	1,066	1,092
	54,101	**50,052**
Average number of employees	139	123

Pursuant to section 98 B(3) of the Danish Financial Statements Act, remuneration of the Executive Board has not been disclosed.

	2015	2014
3 Other financial expenses		
Interest expenses, group enterprises	10	33
Interest expenses, exchange losses and similar expenses	31	31
	41	**64**

Financial statements 1 January - 31 December

Notes

4 Intangible assets

	Software	Goodwill
	TDKK	TDKK
Cost at 1 January 2015	2,629	32,080
Additions	140	0
Cost at 31 December 2015	2,769	32,080
Impairment losses and depreciation at 1 January 2015	1,439	19,802
Depreciation	439	3,238
Impairment losses and depreciation at 31 December 2015	1,878	23,040
Carrying amount at 31 December 2015	**891**	**9,040**

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
	TDKK	TDKK	TDKK
Cost at 1 January 2015	9,709	5,102	14,811
Additions	540	19	559
Cost at 31 December 2015	10,249	5,121	15,370
Impairment losses and depreciation at 1 January 2015	7,703	4,615	12,318
Depreciation	765	202	967
Impairment losses and depreciation at 31 December 2015	8,468	4,817	13,285
Carrying amount at 31 December 2015	**1,781**	**304**	**2,085**

Financial statements 1 January - 31 December

Notes

6 Equity

The share capital consists of 1,005 shares of a nominal value of TDKK 1,000. No shares carry any special rights.

	2015	2014	2013	2012	2011
	TDKK	TDKK	TDKK	TDKK	TDKK
Share capital at 1 January 2015	1,005	1,005	1,004	1,004	1,004
Capital increase	0	0	1	0	0
Share capital at 31 December 2015	**1,005**	**1,005**	**1,005**	**1,004**	**1,004**

7 Contingent liabilities and other financial obligations

Rent payments concerning interminable contracts amount to 882 TDKK (2014: 1,568 TDKK)

Payments under operating leases concerning cars amount to 12,529 TDKK (2014: 5,558 TDKK)