

ANNUAL REPORT

2013



LET'S DRIVE TOGETHER







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CEO'S REVIEW



MICHAEL MASTERSON
ALD INTERNATIONAL CHIEF
EXECUTIVE OFFICER

Reaching one million cars was a notable milestone, but this will not impact ALD's continuing commitment to quality and customer service.

In 2013, ALD Automotive was proud to achieve the milestone of one million vehicles under management around the world. Little more than a decade since entering the market as a challenger in the vehicle leasing sector, this achievement is a testament to ALD's rapid development into an international leader in the sector.

Today, ALD is the 2nd European leasing company and 3rd worldwide, offering a product mix that includes full-service leasing and fleet management, white label distribution with OEMs, and products and services ranging from the standard to highly innovative ones. This mix has ensured ALD's strong growth over the last 10 years.

Thanks to the diversity and rich history of many of its subsidiaries, ALD has been able to take a 'glocalised' approach, which has become an important point of differentiation to both ALD's customers as well as its management.

As such, customers and partners benefit from ALD's international systems, products, purchasing and technology, while local teams provide region-specific knowledge, expertise and connections. ALD's global management structure meanwhile is able to be flexible and reactive due to its network of highly skilled local managers who take full operational and financial responsibility for their subsidiaries.

With an entrepreneurial culture from its origins, ALD has taken a unique approach in the sector. In a bold strategy at the time, ALD became, in 2003, the first player to forge partnerships with manufacturers for white-label services, as well as with other finance houses.

Directly present in 37 countries and an additional 3 countries in North America through its partnership with Wheels, ALD's geographic coverage is second to none. ALD is currently the only lessor present in all of the BRIC countries, and plans further expansion into South America and Asia.

The quality of its customer service and relationships has become another hallmark of ALD's success. It has fostered enduring partnerships with a vast network of suppliers, logistic companies, manufacturers and other stakeholders, successfully demonstrating the link between customer relationships and success.

Technology too has been vital. ALD is among the most innovative players in the sector when it comes to telematics and web tools, and smartphone solutions.

With greater market presence comes a greater responsibility to act in a socially and environmentally friendly manner. ALD has demonstrated leadership in Corporate Social Responsibility with a number of initiatives to reduce the environment impact of its activities. Through its promotion of battery-powered vehicles to those that consume less fuel and have smaller engines, ALD is serious about minimising the impact of its operations on the external environment.

Reaching one million cars under management was a notable milestone for the group, but this will not impact ALD's continuing commitment to quality and customer service. In moving forward, ALD will not change its focus on delivering on its customer promise to provide better services, more products, greater distribution and consistent quality at the right price.

GROUP OVERVIEW



ALD Mission

ALD Automotive is the global reference in providing innovative and sustainable mobility solutions to support the success of its customers.

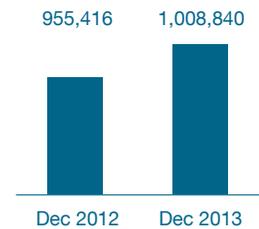
Driven by passion, vision and expertise, we develop true partnerships creating value for all our stakeholders.

Our Shareholder

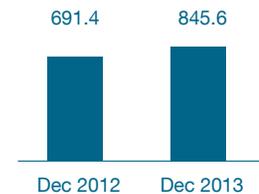
ALD Automotive Group is a subsidiary of Societe Generale, one of the largest financial services groups in Europe. Societe Generale employs more than 148,000 staff based in 76 countries. Within Societe Generale, ALD Automotive is a part of the International Banking and Financial Services Division ('IBFS'). IBFS offers a broad range of products and services to more than 25 million clients comprising individuals, professionals and corporates in 65 countries.

2013 Key figures

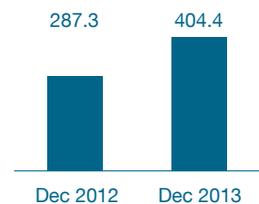
Total managed fleet*



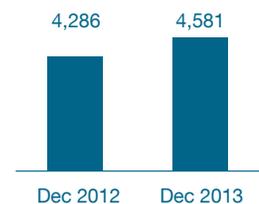
Total operating and net finance income



Profit before tax



Employees



*excluding fuel cards contracts
Dec 2012 : 940,474 / Dec 2013 : 992,133

COMPANY PROFILE

A market leader with a diversified revenue base

ALD Automotive is a multi-brand car leasing and fleet management company independent of any car manufacturer and ranked among the top 3 major players worldwide. ALD Automotive principally offers two car leasing products: full service vehicle leasing and fleet management.

ALD Automotive benefits from a diversified revenue and profit base as approximately 50% of gross profit is generated by a large variety of services such as maintenance and repairs, insurance, tyre and replacement vehicles. Interest payable by customers on full service leasing contracts contributes approximately to the remaining 50% of its gross profits.

A Global Coverage

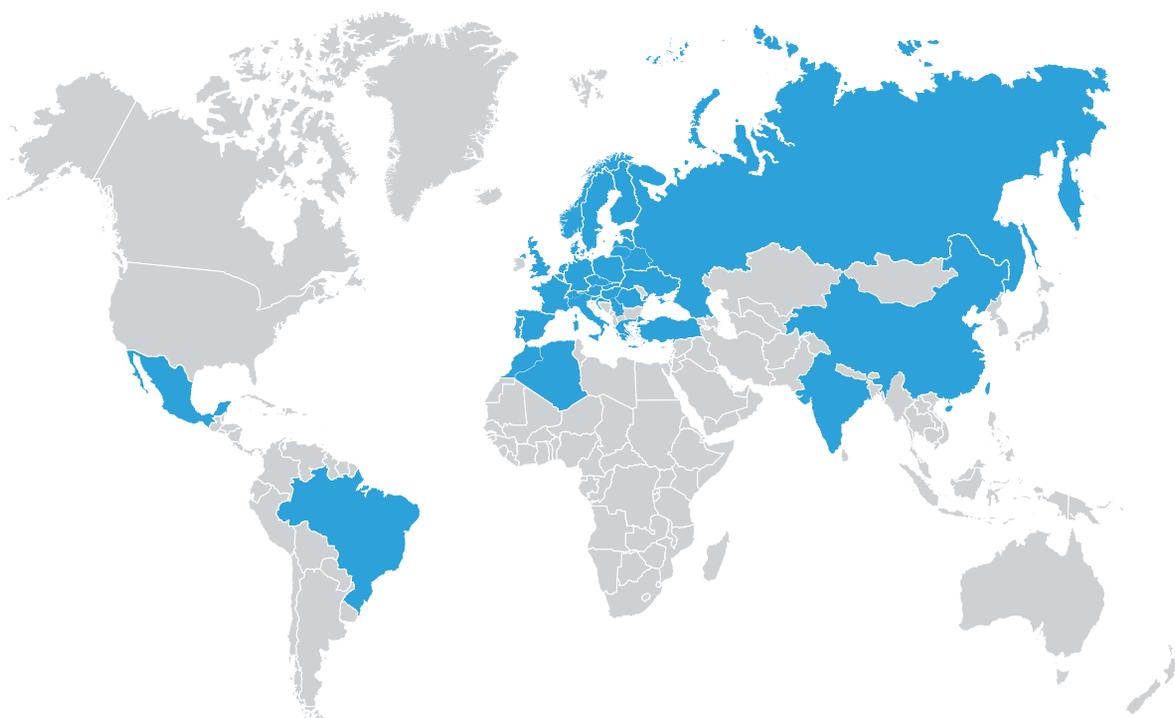
ALD Automotive has operations in 37 countries, displaying the largest co-

verage of any global leasing company and is present in high growth markets. Through some of our Group companies, we can trace our origins back to the 1950's. Our experience has been gained from operations in mature Western European markets which have allowed us to confidently expand into newer markets in Europe and around the world where growth rates are higher. We are the leading leasing company in terms of direct presence in all BRIC countries. Our established presence in many markets is a very positive factor for international customers and partners and contributes to the sustainable profitability achieved by ALD Automotive. Our global reach and in-depth knowledge of local markets has allowed us to develop global integration and coordination as well as local adaptation and flexibility. Close to 40% of our fleet is with global companies. We serve these International Key Accounts (IKA's) throughout the Group and 30 customers use ALD in more than

20 countries. In 2013, ALD automotive signed agreements with 31 international clients. Thanks to the partnership with Wheels Inc. in the US, ALD Automotive manages over 1.3 million vehicles across 40 countries.

High Service quality standards with a Client-Focussed Approach

Customer satisfaction has always been a priority for ALD Automotive. Many of our subsidiaries have received the ISO 9001 certification which illustrates our drive to be closer to our customers and to meet their expectations. ALD Automotive subsidiaries have received many awards for customer satisfaction and for the quality of products and services offered by the Group. Our French subsidiary received the 'Customer Service of the Year' award for the sixth consecutive year. Our German opera-





tion was awarded by readers of 'Autoflotte' for the fourth consecutive year and by 'Firmenauto' for the third consecutive year. Our UK business was awarded the Fleet World Honours and the ACFO trophy. We have also won awards in Czech Republic, Romania and other countries. Over 85% of clients recommended ALD Automotive in 2013.

Pioneer in 'White Labelling' distribution partnerships

Through White Labelling distribution partnerships, authorised dealers of car manufacturers can offer a Full Service Lease product to their clients under their own brand, the contracts being managed by ALD Automotive. The Group has 85 "White Label-

ling" partnerships with 11 car brands in various markets and is the global leader in such partnerships. These partnerships account for 16% of the global fleet managed by ALD Automotive and have contributed significantly to our global fleet growth of recent years.

ALD services are also sold through the retail banking network of Societe Generale and Crédit du Nord in France and through the Group's international banking network in countries like Czech Republic, Romania, Russia, Morocco, Croatia and Serbia.

In recent years, ALD Automotive has also developed a number of white label partnerships with external banking networks in the UK, the Nordic countries and Spain.

Expertise in Vehicle Remarketing

ALD Automotive has been at the forefront of developing new technologies in car sales which is a key area of its business. "ALD Carmarket" is an on-line sales platform developed in-house which allows dealers to directly view cars for sale on-line over the internet and to bid for them. It provides a transparent sales method for our vehicles and is used in all of our major markets as well as in our developing markets. More than 200,000 used vehicles have already been sold through this platform. The use of the technology has helped to significantly reduce stock holding costs through quicker rotation and to improve our sales realizations.

LEADERSHIP TEAM

EXECUTIVE COMMITTEE



Board of Directors

Giovanni Luca Soma - Chairman

Didier Hauguel

Michael Masterson

Michel Roitman

Christian Behaghel

Bruno Bassac

Karine Destre Bohn

Gilles Momper, Chief Financial Officer of ALD International is 41 years old and of French nationality. He is graduated from ESC Dijon French business school. He joined ALD International in 2007 in the position of Group Financial Controller. Prior to joining ALD Automotive, he held the position of head of the controlling department for Hertz in France and Germany (1995-2001). He then worked for Renault (2001-2007) in the international financial controlling division. He was appointed Chief Financial Officer of ALD International in May 2012.

Pascal Serres, Deputy Chief Executive Officer of ALD International is 61 years old and of French nationality. He received an MBA degree from HEC (Hautes Etudes Commerciales) and a PhD in economics from Paris VIII University. He began his career as a consultant in macro-economics for Latin-American and African governments. He joined Societe Generale in 1988 as deputy chief economist. In 1991 he was appointed Managing Director of Soglease UK and, in 1993, CEO of Fiditalia, a leader in the consumer credit business in Italy. He joined ALD Automotive in 2000, as Regional Director and then Director of Sales and Marketing. He was appointed Deputy CEO in March 2008.

From left to right : Gilles Momper, Pascal Serres, Mike Masterson, Tim Albertsen



Michael Masterson, Chief Executive Officer of ALD International is 53 years old and of English nationality. He holds a degree in economics from the University of Nottingham. He began his career with Pricewaterhouse Coopers where he spent 4 years and qualified as a Chartered Accountant. In 1989 he joined Hertz Lease, where he became Group Finance Director, and entered ALD Automotive after the purchase of Hertz Lease in 2002. Michael Masterson held various positions in finance before becoming Chief Financial Officer of ALD Automotive. In May 2011, he was appointed Chief Executive Officer of ALD International and he joined Societe Generale's Group Management Committee in January 2012.

Tim Albertsen, Deputy Chief Executive Officer of ALD International is 51 years old and of Danish nationality. He has a degree in Economics and Business Administration from the University of South Denmark (1986-1990) and an MBA from Copenhagen Business School. He started his career with Avis where he worked as Operation Manager and then General Manager for Denmark. In 1997 he joined Axus Denmark as Managing Director. Following the acquisition of Axus by ALD Automotive in 2003, he was appointed Regional Director for the Nordic countries. He then held the position of Chief Operations Officer from 2008 before being appointed Deputy CEO in May 2011.

Managing Directors of Leading Group Subsidiaries ("G10 Countries")

Jean-Francois Chanal	ALD France
Andrea Badolati	ALD Italy
Mel Dawson	ALD UK
Karsten Roesel	ALD Germany
Carel Bal	ALD Benelux
Pedro Malla	ALD Spain
Michel Colbert	ALD Nordic Region
Martin Koessler	ALD CEE Region (Central and Eastern Europe)
Philippe Valigny	ALD SEE Region (South East Europe)
Kent Bjertrup	ALD NEE Region (North East Europe)

2013

FINANCIAL PERFORMANCE

In a challenging business environment, ALD Automotive's fleet grew by 5.5% during 2013. This fleet growth was witnessed in all regions but specifically in the BRIC and emerging countries where fleet growth was in excess of 26%. The continued fleet growth in mature countries and Central Europe despite the difficult economic environment demonstrates the resilience of our business model and the strength of our global franchise.

The 2013 profits of Euro 308.2 million represent another record year of profitability for the group. Consolidated revenues and interest income in 2013 grew by 2.5% and the overall fleet managed at 31 December 2013 amounted to 1,008,840 units.

The main drivers behind the increased profitability were the continued growth of gross margins and strong car sales results.

The gross margin improvements reflect the on-going ability of the group to drive costs down through operational efficiency and by negotiating the best possible purchasing conditions. Operational efficiency improvements have primarily resulted from optimization of back office processes and through robust and innovative IT solutions.

The strong and lasting relationships with preferred providers and the expertise of our teams, coupled with the scale of our purchasing power allowed us to optimize our cost base. This purchasing expertise has contributed to the increase in gross margins while providing the best possible conditions to our customers.

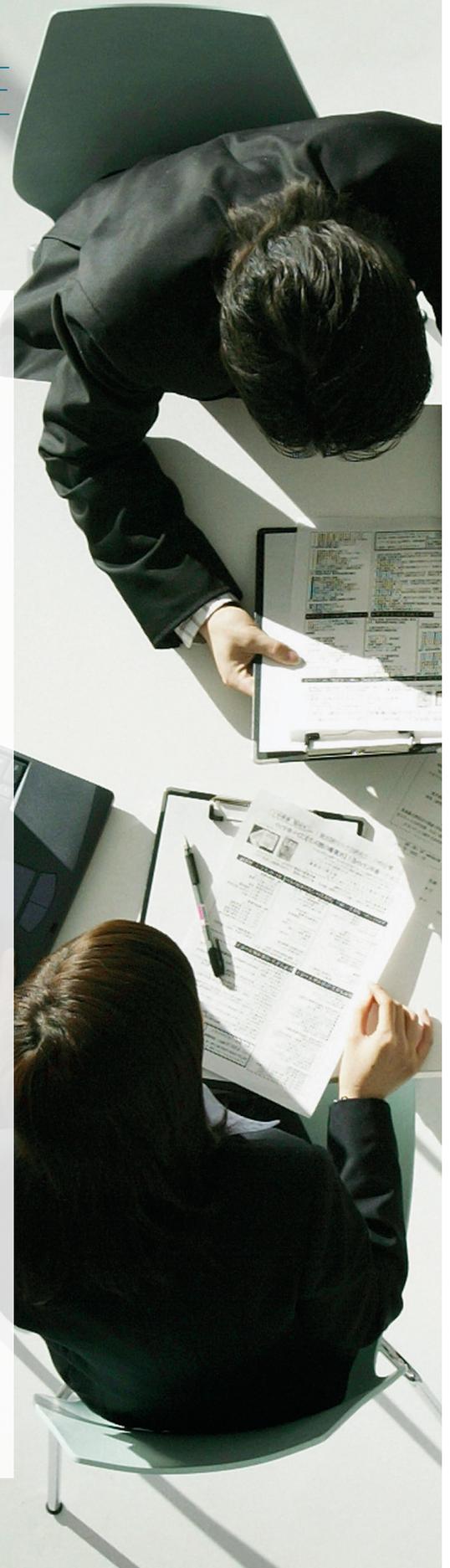
Car sales results have remained strong in adverse market conditions. This has largely been due to the strong performance of our electronic sales platform and the diversity of our sales channels. The reduced availability for used cars aged between 3 and 5 years in most western European countries also helped us to gain higher sales prices.

Customer risk continued to remain low over the period which reflects our balanced and selective customer portfolio that is well diversified by country, industry and fleet size.

Overheads costs remained in line with the revenue growth. Productivity, calculated as the number of vehicles managed per employee has steadily increased over recent years which has contributed to greater efficiency and lowered our cost to income ratio.

Our credit rating BBB with a stable outlook was confirmed by S&P in July 2013. It was justified by the solid results achieved by the group, and the resilience of our business model.

In 2013, the group implemented its strategy to diversify its funding sources. As a result, approximately Euro 2 Billion of external funding was raised through a combination of unsecured bond issues by ALD International and a number of asset backed securitizations in subsidiary companies. Our strategy in the medium term is to ensure an optimal mix between internal funding from Societe Generale and external funding so as to take advantage of market opportunities as they arise. At the end of 2013, approximately 26% of our financial debt was external to the Societe Generale Group.





MANAGING RISKS



Definition

Residual Value

The risk that the residual value (the expected resale price of the vehicle at the end of the lease as estimated by ALD Automotive at inception of the lease) may differ from the future market value of the car at the end of the contract.

Maintenance

The risk that the actual costs of maintenance incurred during the contract life are different to those forecasted and budgeted within the quotation issued at the inception of the contract.

Credit

The risk that a customer is not able to fulfil its financial obligations towards ALD Automotive.

Insurance

The risk of damage to vehicles within its fleet and also to liability to third parties arising from accidents involving vehicles in its fleet. This risk can take the form of third party liability («TPL»), legal defence, material damage or passenger indemnity.

Treasury

Comprises interest rate, currency and liquidity risk. Interest rate risk is the risk that the profitability of the Group is affected by movements in interest rates. Liquidity risk is the risk that ALD Automotive is not able to meet its cash flow obligations when they fall due, because of a mismatch between the financing of its assets and liabilities. Foreign exchange risk is the risk that profitability is affected by currency fluctuations.

Operational

Operational risk is defined as the risk of loss coming from an inadequacy or a failure of a procedure, a person or system or an external event such as disaster, fire or flood.

Compliance

Risk of legal sanctions, material financial loss, or loss to the reputation of ALD International and its subsidiaries taken as a whole may suffer as a result of its failure to comply with laws, its own regulations, code of conduct, and standards of best/good practice.

Key Developments in 2013

Thanks to the continuous improvement and reinforcement of all our processes and monitoring procedures, all major risk areas have been under control in 2013, with no significant events impacting on our profitability.

Credit risk governance is established up by our parent company, Societe Generale in accordance with the risk strategy and appetite determined by ALD International management. All subsidiaries are required to comply with strict risk procedures issued centrally, which define the way credit requests have to be analysed and validated. Although decentralized, the decision-making process is governed by Societe Generale's Credit Authority structure and requires full compliance with the Group's Risk Management policy principles. Our main focus has been to strengthen this risk culture within our subsidiaries and to share best practices and behaviors in order to develop efficiency and homogeneity among our risk teams. This has been achieved in 2013 through central training sessions involving both ALD Risk Managers and various experts from Societe Generale's Risk Department.

The same principles have been applied in the area of operational risk where we mainly rely on various processes to ensure an appropriate control:

- the identification and analysis of operational losses;
- the follow-up of some key risk indicators;
- the risk and control self assessment (RCSA);
- the scenario analysis and analyses of customer complaints.

All operational risk incidents are analyzed centrally in order to determine the nature and potential impacts of the concerned events, as well as the relevance of the proposed action plans. Our ultimate objective remains the sharing of information and best practices, so that the risk of these events taking place in other subsidiaries or departments is minimized. Specific action plans are set up whenever necessary and training sessions are organized on a regular basis.

As a subsidiary of a banking institution, ALD Automotive has also implemented a full compliance monitoring system, which relies on a set of procedures aimed at monitoring non-compliance and reputation risks, communicated to all of ALD Automotive's subsidiaries by its holding company, ALD International. These procedures comply with the principles set forth by Societe Generale and are adapted to the specificities of operational leasing activities. The non-compliance risk borne by ALD Automotive is low, as the operational leasing activity is not regulated in most countries where ALD Automotive operates. A Compliance Officer is appointed in each subsidiary, so as to ensure that procedures and processes are adequately enforced and that the level of awareness towards non-compliance and reputation risk is high within said subsidiaries.

Finally, to secure all operational and risk domains, ALD Automotive follows Societe Generale instructions and has put in place a complete set of Permanent Supervision measures. An agreed set of controls to be performed are deployed in all countries. Results

are analyzed locally and centrally with all weaknesses in procedures being subject to corrective actions. This methodology is mature and ensures a high quality of risk management.

Apart from Permanent Supervision, ALD Automotive subsidiaries are subject to periodic audit missions carried out by Societe Generale.

CORPORATE SOCIAL RESPONSIBILITY





Corporate Social Responsibility ('CSR') is a major priority for ALD Automotive. The CSR policy of the Group is oriented toward two major axes: safety of people and respect for the environment.

To ensure the maximum safety for over 1 million ALD Automotive vehicle drivers, a wide range of training and technologies is made available across countries. Training sessions are conducted to provide the highest level of driver safety combined with well maintained vehicles. We also provide winter driving training, latest generation driving simulators, and safety oriented on-board telematic systems.

ALD Automotive is acutely aware of the environmental impact of its customer fleets and addresses this point through several sorts of actions, providing tools and advice to measure and reduce CO2 emissions together

with fuel consumption or increasing driver awareness of these matters with the organization of eco-driving oriented trainings for example.

"ALD Bluefleet" and "ALD Newmobility" labels propose a large range of services supporting sustainable mobility, from car policy consulting, CO2 emissions offset and e-invoicing, to car sharing or co-modality solutions, flexible offices and global mobility budget.

ALD Automotive directs its product development toward optimal mobility solutions gathering together the new generation powertrains with the latest driver oriented technologies.

In this area, ALD Automotive has been an early promoter of electric vehicles and managed at the end of 2013, a fleet of over 4,000 electric vehicles, which is one the largest in the world.

STRATEGY

FOR PROFITABLE GROWTH



1 Strengthening our Competitive Position

In most of the markets we operate in, we are among the Top 3 players in terms of fleet size. By reaching a critical size in these markets, we benefit from our scale and are able to negotiate optimum purchasing terms. Our objectives are to:

- Maintain our well established pan-European presence
- Maintain our leadership position in Fleet Management; Fleet management, where we do not own but manage the fleet asset, comprises about 23% of our business. This is a strategic product for ALD Automotive where

we have established a leadership position. We have significant fleet management activities in France and Germany and a growing presence in Belgium, Brazil and Mexico.

- Continue to develop our presence in the emerging markets of the world such as the BRIC countries, Turkey and Mexico where there is strong growth potential.
- Increase our share of business conducted with key international corporate customers. We are proud to work with in excess of 150 international accounts, many of which are managed centrally by ALD International. There has also been strong development of national accounts in emerging markets that have the potential to

become international accounts in the coming years.

- Further grow our unique distribution partnerships with car manufacturers and financial institutions. As pioneers in white labelling partnerships, we now have in excess of 85 white label agreements with car manufacturers across 19 countries. We have continued to expand our partnerships with banking networks.

2 Quality of Service

Our focus on service quality has contributed significantly to our strong fleet growth and global



presence. The Group wishes to enhance the quality of services through further investment in databases and tools to deliver high quality reporting to our international customers. The Group continues to develop new technologies such as vehicle telematics to provide clear operating performance and cost analysis to clients.

is continuously innovating to offer the best tools and services to support its customers and fleet managers in their day to day work. ALD Automotive launched ALD Mobile, an app-based service allowing all ALD Automotive vehicle drivers to swiftly reach the ALD automotive customer care service and the nearest authorised repairers and suppliers.

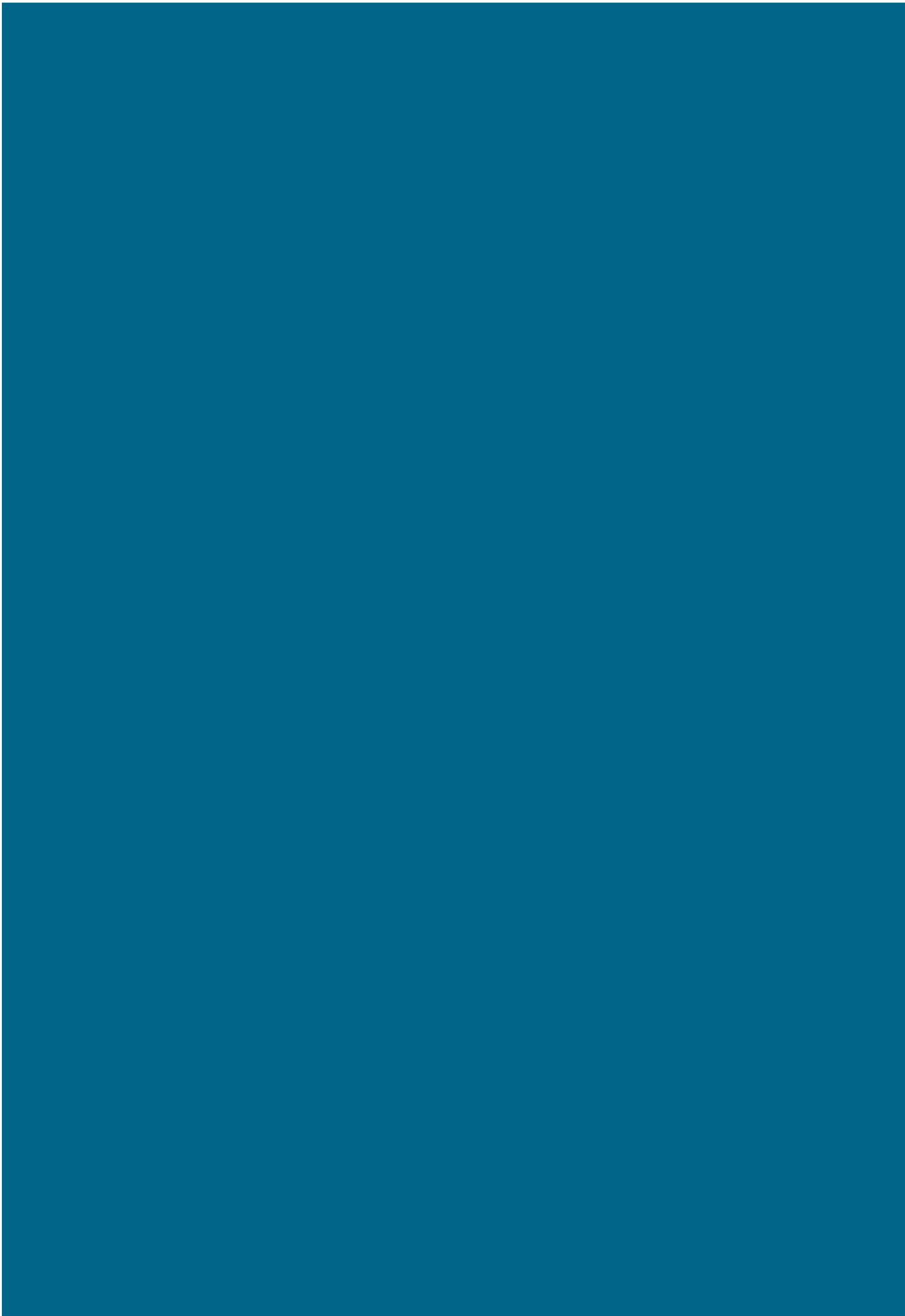
deliver returns on equity in line with the good performance of recent years. To achieve this, it will be important to continue the strong development of its customer base, its global geographical coverage and partnership agreements. Further improvements will be achieved by differentiating its segmental pricing, optimising the organisation through the streamlining of back office processes and by maintaining its strong cost control culture. It also seeks to develop external funding sources at competitive rates whilst maintaining and enhancing a strong cost to income ratio.

3 Innovation Delivering Value

ALD Automotive believes in putting the client at the forefront of its innovations and technological developments. As mobility solutions become more important, the Group

4 High and Sustainable Level of Profitability

ALD Automotive strives to maintain its profitability to continue to





ALD
INTERNATIONAL
CONSOLIDATED
FINANCIAL STATEMENTS

Years ended December 31, 2013

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CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED INCOME STATEMENT

Year ended December 31.

(in EUR million)	Notes	2013	2012 Restated (*)
Revenues	1	5,307.1	5,147.9
Cost of revenues	1	(4,772.1)	(4,747.8)
Gross profit		535.0	400.1
Interest income	2	638.2	650.7
Interest charges	2	(302.4)	(327.6)
Net interest income		335.8	323.1
Impairment charges on receivables	3	(20.6)	(23.9)
Unrealised gains/losses on financial instruments	13	(4.6)	(7.9)
Total operating and net finance income		845.6	691.4
Staff expenses	4	(255.5)	(248.9)
General and administrative expenses	5	(138.7)	(126.0)
Depreciation and amortisation	6	(14.7)	(14.6)
Total current operating expenses		(408.9)	(389.5)
Non-recurring operating income (expenses)	7	(32.9)	(14.7)
Share of profit of associates and jointly controlled entities		0.6	0.1
Profit before tax		404.4	287.3
Income tax expense	8	(96.2)	(70.7)
Profit for the period from continuing operations		308.2	216.6
Result for the period from discontinued operations	25	-	28.5
Profit for the period		308.2	245.1
Profit attributable to:			
Owners of the Company		300.1	235.3
Non-controlling interests		8.1	9.8

(*) Restated amounts of financial statement communicated at December 31, 2012 according to the retrospective application of the IAS 19 amendments. The changes are EUR 0.4 million for Wages and salaries and EUR -0.4 million for Defined benefit post employment costs.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended December 31,

(in EUR million)	Notes	2013	2012 Restated (*)
Items that will not be reclassified subsequently to profit or loss		0.9	(2.7)
Changes in actuarial gain/(Loss) on retirement benefit. before tax		1.3	(4.0)
Deferred tax on actuarial gain/(Loss) on retirement benefit		(0.4)	1.3
Items that may be reclassified subsequently to profit or loss		(28.7)	6.6
Changes in cash flow hedges. before tax	13	0.5	3.0
Deferred tax on cash flow hedges		(0.1)	0.2
Currency translation differences		(29.1)	3.4
Other comprehensive income for the year. net of tax		(27.8)	3.9
Profit/(loss) for the period		308.2	245.1
Total comprehensive income for the period		280.4	249.0
Attributable to			
Owners of the Company		272.6	239.0
Non-controlling interests		7.8	9.8
Total comprehensive income attributable to owners of the parent arises from:			
- Continuing operations		272.6	210.6
- Discontinued operations		-	28.5

(*) Restated amounts of financial statement communicated at December 31, 2012 according to the retrospective application of the IAS 19 amendments.

CONSOLIDATED BALANCE SHEET

(in EUR million)	Notes	Dec. 31, 2013	Dec. 31, 2012 Restated (*)	Jan. 01, 2012 Restated (**)
ASSETS				
Rental fleet	9	9,568.4	9,407.8	8,908.3
Other property and equipment	10	35.1	37.1	38.0
Goodwill	11	178.4	178.4	178.4
Other intangible assets	10	8.4	7.7	20.7
Investments in associates and jointly controlled entities	12	4.2	3.7	2.5
Derivative financial instruments	13	43.1	46.0	29.8
Deferred tax assets	8	92.8	121.2	103.3
Other non-current financial assets	14	1,103.7	1,159.1	1,117.8
Non-current assets		11,034.1	10,961.1	10,398.9
Inventories	15	138.6	127.5	165.3
Receivables from clients and financial institutions	16	870.4	862.3	894.8
Corporate income tax receivable		82.0	61.3	40.6
Other receivables and prepayments	17	418.4	436.6	482.8
Derivative financial instruments	13	19.6	2.1	4.6
Other current financial assets	14	212.8	162.5	168.4
Cash and cash equivalents	18	241.2	374.6	246.3
Current assets		1,983.0	2,026.9	2,002.7
Assets of disposal group classified as held-for-sale	25	-	-	2,904.6
Total assets		13,017.1	12,988.0	15,306.3
EQUITY AND LIABILITIES				
Share capital	20	550.0	550.0	550.0
Retained earnings and other reserves		713.3	510.7	271.7
Net profit for the period		300.1	235.3	233.8
Equity attributable to owners of the parent		1,563.4	1,296.0	1,055.5
Non-controlling interests		20.8	58.0	45.2
Total equity		1,584.2	1,354.0	1,100.7
Borrowings from financial institutions	21	5,127.7	6,120.6	6,613.4
Bonds and notes issued	21	1,777.1	105.0	76.0
Derivative financial instruments	13	57.7	82.5	60.8
Deferred tax liabilities	8	161.9	222.6	186.0
Retirement benefit obligations and long term benefits	22	13.9	15.5	10.4
Provisions	23	67.2	112.8	118.0
Non-current liabilities		7,205.5	6,659.0	7,064.5
Borrowings from financial institutions	21	2,339.7	3,514.2	3,384.0
Bonds and notes issued	21	332.0	37.2	55.6
Trade and other payables	24	1,369.1	1,356.6	1,098.4
Derivative financial instruments	13	12.4	0.1	1.6
Corporate income tax liabilities		81.2	44.2	52.0
Provisions	23	93.0	22.6	19.1
Current liabilities		4,227.4	4,975.0	4,610.7
Liabilities of disposal group classified as held-for-sale	25	-	-	2,530.4
Total liabilities		11,432.9	11,634.0	14,205.6
Total equity and liabilities		13,017.1	12,988.0	15,306.3

(*) Restated amounts of financial statement communicated at December 31, 2012 according to the retrospective application of the IAS 19 amendments. The changes are EUR 0.4 million for Tax assets, EUR -1.6 million for Tax liabilities, EUR 6 million for Provisions and EUR -4 million for Retained earnings.

(**) Restated amounts of financial statement communicated at January 1, 2012 according to the retrospective application of the IAS 19 amendments. The changes are EUR 0.1 million for Tax assets, EUR -0.5 million for Tax liabilities, EUR 1.9 million for Provisions and EUR -1.3 million for Retained earnings.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to equity holders of the company

(in EUR million)	Share capital	Translation reserves	Hedging reserve	"Actuarial gain/(loss) (*) reserve"	Other capital reserves	Retained earnings	Net profit for the period	Total	Non-controlling interests	Total equity
Balance As at January 1, 2012 (as previously reported)	550.0	(5.7)	(3.3)	-	1.1	280.8	233.8	1,056.8	45.2	1,102.0
Effect of changes in accounting policies	-	-	-	(1.3)	-	-	-	(1.3)	-	(1.3)
Balance As at January 1, 2012 (restated)	550.0	(5.7)	(3.3)	(1.3)	1.1	280.8	233.8	1,055.5	45.2	1,100.7
Changes in cash flow hedges	-	-	3.2	-	-	-	-	3.2	-	3.2
Actuarial gain/(loss) on post employment benefit obligations	-	-	-	(2.7)	-	-	-	(2.7)	-	(2.7)
Currency translation differences	-	3.4	-	-	-	-	-	3.4	-	3.4
Other comprehensive income	-	3.4	3.2	(2.7)	-	-	-	3.9	-	3.9
Profit for the period	-	-	-	-	-	-	235.3	235.3	9.8	245.1
Total comprehensive income for the period	-	3.4	3.2	(2.7)	-	-	235.3	239.2	9.8	249.0
Share-Based payments	-	-	-	-	1.3	-	-	1.3	-	1.3
Dividends	-	-	-	-	-	-	-	-	-	-
Scope changes	-	-	-	-	-	-	-	-	3.0	3.0
Appropriation of net profit	-	-	-	-	-	233.8	(233.8)	-	-	-
Balance As at December 31, 2012 (restated)	550.0	(2.3)	(0.1)	(4.0)	2.4	514.6	235.3	1,296.0	58.0	1,354.0
Changes in cash flow hedges	-	-	0.4	-	-	-	-	0.4	-	0.4
Actuarial gain/(loss) on post employment benefit obligations	-	-	-	0.9	-	-	-	0.9	-	0.9
Currency translation differences	-	(28.8)	-	-	-	-	-	(28.8)	(0.3)	(29.1)
Other comprehensive income	-	(28.8)	0.4	0.9	-	-	-	(27.5)	(0.3)	(27.8)
Profit for the period	-	-	-	-	-	-	300.1	300.1	8.1	308.2
Total comprehensive income for the period	-	(28.8)	0.4	0.9	-	-	300.1	272.6	7.8	280.4
Share-Based payments	-	-	-	-	0.9	-	-	0.9	-	0.9
Dividends	-	-	-	-	-	-	-	-	-	-
Scope changes	-	-	-	-	-	(6.0)	-	(6.0)	(45.0)	(51.0)
Appropriation of net profit	-	-	-	-	-	235.3	(235.3)	-	-	-
Balance As at December 31, 2013	550.0	(31.1)	0.3	(3.1)	3.3	743.9	300.1	1,563.4	20.8	1,584.3

(*) Restated amounts of financial statement communicated at December 31, 2011 and at December 2012 according to the retrospective application of the IAS 19 amendments. The changes are EUR -1.3 million for actuarial gain or loss on post employment benefit obligations at January 1, 2012 and EUR -2.7 million for actuarial gain or loss on post employment benefit obligations at December 31, 2012.

CONSOLIDATED STATEMENT OF CASH FLOWS

		Year ended December 31,	
(in EUR million)	Notes	2013	2012 Restated
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax excluding discontinued operations		404.4	287.3
Adjustments for:			
Rental fleet	9	2,288.9	2,200.5
Other property and equipment	10	9.9	9.8
Intangible assets	10	4.8	4.9
Financial assets		-	0.5
Regulated prov.. contingency and expenses provisions		24.0	(0.4)
Depreciation and provision		2,327.6	2,215.3
NBV on disposal of other property and equipment	10	6.3	6.5
NBV on disposal of intangible assets	10	0.5	13.0
Proceeds from sale of consolidated securities		-	(2.7)
Profit and losses on disposal of assets		6.8	16.7
Fair value of derivative financial instruments		(19.9)	10.5
Interest charges		302.4	327.6
Interest income		(638.2)	(650.7)
Net interest income	2	(335.8)	(323.1)
Other (*)		24.8	(1.3)
Amounts received for disposal of rental fleet	9	1,813.2	1,805.5
Amounts paid for acquisition of rental fleet	9	(4,416.9)	(4,472.0)
Change in working capital		(21.2)	446.6
Interest paid		(321.7)	(339.6)
Interest received		645.1	651.1
Net interest paid		323.4	311.5
Income taxes paid		(108.6)	(61.3)
Cash generated from operations (continuing activities)		(2.5)	235.8
Cash flows from operating activities (discontinued operations)		-	308.9
Net cash inflow/(outflow) from operating activities		(2.5)	544.6
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of other property and equipment	10	(16.0)	(15.2)
Acquisition of intangible assets	10	(4.9)	(4.8)
Proceeds from sale of financial assets		5.8	-
Effect of change in group structure		(51.6)	1.4
Long term investment		(59.8)	10.9
Loans and receivables from related parties		94.7	(58.6)
Other financial investment		(44.8)	59.0
Cash flows from investing activities (continuing activities)		(76.6)	(7.8)
Cash flows from investing activities (discontinued operations)		-	300.7
Net cash inflow/(outflow) from investing activities		(76.6)	292.9
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of borrowings from financial institutions		3,786.9	2,855.3
Repayment of borrowings from financial institutions		(5,822.1)	(3,189.8)
Proceeds from issued bonds		2,002.5	123.0
Repayment of issued bonds		(48.4)	(112.4)
Increase/decrease in capital		-	3.1
Cash flows from financing activities (continuing activities)		(81.1)	(320.8)
Cash flows from financing activities (discontinued operations)		-	(345.7)
Net cash inflow/(outflow) from financing activities		(81.1)	(666.5)
Exchange gains/(losses) on cash and cash equivalents		(2.5)	(1.1)
Net (decrease)/increase in cash and cash equivalents		(162.7)	169.9
Cash & cash equivalents at the beginning of the period	18	318.5	148.5
Cash & cash equivalents at the end of the period	18	155.8	318.5

* Including mainly the unrealised foreign exchange gains or losses (note 13)

ACCOUNTING PRINCIPLES

1. GENERAL INFORMATION

ALD International (“the Company”) and its subsidiaries (together “the Group”) is a service leasing and vehicle fleet management group with a fleet of more than 992,000 vehicles. The Group provides financing and management services in 37 countries in the world including the following businesses:

- Full service leasing: operating lease contracts in which clients pay the Group a regular instalment to cover financing, depreciation and the cost of services such as tyre management, fuel cards, insurance, maintenance, replacement car, etc...;

- Fleet management: outsourcing contracts under which a vehicle is owned by the client, but is managed by a company of the Group; the fleet management company only provides various services such as tyre management, fuel cards, insurance, maintenance etc.

The company is a private company, which is domiciled in Paris. The address of its registered office is 15 Allée de l’Europe, 92110 Clichy.

The company is a wholly-owned subsidiary of the Societe Generale Group.

The consolidated financial statements are presented in million of Euros, which is the Group’s presentation currency and it has been rounded to the nearest million, unless otherwise indicated. In certain cases, rounding may cause non-material discrepancies in the lines and columns showing totals.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. BASIS OF PREPARATION AND APPLICATION OF IFRS 1

In accordance with European Regulation 1606/2002 of July 19, 2002 on the application of International Accounting Standards, the ALD Group (“The Group”) prepared its consolidated financial statements for the year ended December 31, 2013 in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and in force at that date.

The standards comprise IFRS 1 to 8 and International Accounting Standards (IAS) 1 to 41, as well as the interpretations of these standards adopted by the European Union as at December 31, 2013.

These financial statements were authorized for issue by ALD International’s Board of directors on April 15, 2014.

2.2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

(a) New and amended standards and Interpretations applicable as from January 1, 2013

The following new standards, amendments and interpretations to published standards are mandatory for the first time for the financial year beginning January 1, 2013 and are relevant for the Group:

Accounting standards, amendments or Interpretations	Publication dates by IASB	Adoption dates by The European Union
Amendments to IAS 1 "Presentation of Items of Other Comprehensive Income"	June 16, 2011	June 5, 2012
Amendments to IAS 19 "Employee Benefits"	June 16, 2011	June 5, 2012
IFRS 13 "Fair Value Measurement"	May 12, 2011	December 11, 2012
Amendment to IAS 12. "Income taxes". on deferred tax	December 20, 2010	December 11, 2012
Amendments to IFRS 7 "Disclosures - Offsetting Financial Assets and Financial Liabilities"	December 16, 2011	December 13, 2012

Amendments to IAS 1 "Presentation of items of other comprehensive income"

Amendments to IAS 1 "Presentation of items of other comprehensive income" were adopted by the European Union on June 6, 2012, as part of a convergence project with US GAAP. They require entities to group together items presented in the other comprehensive income statement which will be subsequently reclassified to profit or loss. In addition, the tax-related impact of items included in other comprehensive income must be disclosed separately.

Application of this standard impacted the presentation of the Group's consolidated statements of other comprehensive income.

Amendments to IAS 19 "Employee Benefits"

Amendments to IAS 19 "Employee Benefits" must be applied to accounting period starting on January 1, 2013 or after January 1, 2013. It features several changes in the way that post-employment benefits are recognised, including the following:

- All post-employment benefits granted to Group employees must be recognised in the consolidated balance sheet. The corridor method and the ability to amortise past service cost against income over the average vesting period are no longer possible.
- Calculating the expected return on pension plan assets involve the discount rate used for calculating obligations with respect to defined benefit plans.
- The impacts of plan amendments must be recognised immediately in income.

The new arrangements resulting from the revised version of IAS 19 are applied retrospectively. The main impacts on the Group's consolidated balance sheets on January 1, 2012 and December 31, 2012 correspond to the recognition of actuarial gains and losses that were previously not recognised, which resulted in a decrease in consolidated equity (excluding tax effects) of EUR 1.9 million on January 1, 2012 and EUR 6.0 million on December 31, 2012.

The comparative figures for December 31, 2012 have been restated; the amounts of these restatements are as follow:

(in EUR million)	Dec. 31, 2012 Impacts	Jan 1, 2012 Impacts
ASSETS		
Rental fleet	-	-
Other property and equipment	-	-
Goodwill	-	-
Other intangible assets	-	-
Investments in associates and jointly controlled entities	-	-
Derivative financial instruments	-	-
Deferred tax assets	0.4	0.1
Other non-current financial assets	-	-
Non-current assets	0.4	0.1
Inventories	-	-
Receivables from clients and financial institutions	-	-
Corporate income tax receivable	-	-
Other receivables and prepayments	-	-
Derivative financial instruments	-	-
Other current financial assets	-	-
Cash and cash equivalents	-	-
Current assets	-	-
Assets of disposal group classified as held-for-sale	-	-
Total assets	0.4	0.1
EQUITY AND LIABILITIES		
Share capital	-	-
Retained earnings and other reserves	(4.0)	(1.3)
Net profit for the period	-	-
Equity attributable to owners of the parent	(4.0)	(1.3)
Non-controlling interests	-	-
Total equity	(4.0)	(1.3)
Borrowings from financial institutions	-	-
Bonds and notes issued	-	-
Derivative financial instruments	-	-
Deferred tax liabilities	(1.6)	(0.5)
Retirement benefit obligations and long term benefits	6.0	1.9
Provisions	-	-
Non-current liabilities	4.4	1.4
Borrowings from financial institutions	-	-
Bonds and notes issued	-	-
Trade and other payables	-	-
Derivative financial instruments	-	-
Corporate income tax liabilities	-	-
Provisions	-	-
Current liabilities	-	-
Liabilities of disposal group classified as held-for-sale	-	-
Total liabilities	4.4	1.4
Total equity and liabilities	0.4	0.1

IFRS 13 “Fair Value Measurement“

In May 2011, the IASB and the FASB jointly issued a standard proposing a common definition of fair value, and application guidance. The standard - IFRS 13 (“Fair Value Measurement”) under IFRS - also specifies the disclosures to be made to help users of financial statements understand how fair value is measured. The standard does not change the scope of application of fair value accounting. It has mandatory application as from January 1, 2013 and was endorsed by the European Union in December 2012.

The consequences of this standard concern essentially how the Group is considering its own credit risk in the fair value of derivative financial liabilities (Debt Value Adjustment – DVA). Besides, the update of valuation techniques, which is taking into account the precision brought by this standard, has led the Group to adjust how it considers the counterparty risk in the fair value of derivative financial assets (Credit Value Adjustment – CVA).

Based on the principles used for the CVA and DVA calculation:

- The calculations carried out by the Group have established that the impact of collateralized transactions is not significant.
- The Group internal transactions are not affected because of solidarity rules within ALD Group.

The Group includes all third-party counterparties in the CVA and DVA calculations and does not net these calculations across Group entities when there is no counterparty netting agreement.

Application of this new standard had no material impact on the consolidated financial statements.

Amendments to IAS 12 “Income taxes” on deferred tax

Under IAS 12, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The amendment has no impact in consolidated financial statements of the Group.

IFRS 7 Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities - Amendments to IFRS 7

The amendment requires an entity to disclose information about rights to set-off financial instruments and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity’s financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether the financial instruments are set off in accordance with IAS 32. As the Group is not setting off financial instruments in accordance with IAS 32 and does not have relevant offsetting arrangements, the amendment does not have an impact on the Group.

The other accounting standards applicable as from January 1, 2013 have no material impact on the consolidated financial statements.

(b) Standards and Interpretations adopted by the IASB but not yet applicable at December 31, 2013

The Group has not applied early the following Standards and Interpretations of which application was not mandatory on January 1, 2013:

Accounting standards, amendments or Interpretations	Adoption dates by the European Union	Effective dates: annual periods beginning on or after
Standards on consolidation methods:		
IFRS 10 “Consolidated Financial Statements”	December 11, 2012	January 1, 2014
IFRS 11 “Joint Arrangements”	December 11, 2012	January 1, 2014
IFRS 12 “Disclosure of Interests in Other Entities”	December 11, 2012	January 1, 2014
Amendments to IAS 27 “Separate Financial Statements”	December 11, 2012	January 1, 2014
Amendments to IAS 28 “Investments in Associates and Joint Ventures”	December 11, 2012	January 1, 2014
Other standards:		
Amendments to IAS 32 “Presentation - Offsetting Financial Assets and Financial Liabilities”	December 13, 2012	January 1, 2014
IFRS 9 “Financial Instruments”	January 1, 2013	January 1, 2015
IFRIC 21 “Levies”	December 10, 2013	January 1, 2014

The standard IFRS 10 “Consolidated Financial Statements” defines the principle of control that will require Management to exercise significant judgement. The new definition of control includes all of the following elements: power over the investee, rights or exposure to variable returns of the investee and ability to use the power over the investee to affect the amount of the investor’s returns.

The standard IFRS 11 “Joint Arrangements” distinguishes two forms of joint arrangement (joint operation and joint venture) by assessing the rights and obligations conferred upon the parties and removes the option of applying the proportionate consolidation method. Joint ventures will then have to be consolidated by applying the equity method.

The standard IFRS 12 “Disclosure of Interests in Other Entities” includes all the disclosures that are required to be presented in the notes for all subsidiaries, joint arrangements and associates as well as for consolidated and unconsolidated structured entities.

The amendments IAS 27 “Separate Financial Statements” have the objective of setting standards to be applied in accounting for investments in subsidiaries, joint ventures and associates when an entity elects to present separate financial statements.

Further to amendments to IFRS 10 and IFRS 11, IAS 28 “Investments in Associates and Joint Ventures” is amended to prescribe the accounting treatment of investments in associates and joint ventures.

The amendments to IFRS 10, IFRS 11 and IFRS 12 concerning transition guidance limit the requirement to provide adjusted comparative information to only the preceding comparative period and eliminate the requirement to present comparative information for unconsolidated structured entities for periods before IFRS 12 is first applied.

These accounting standards and interpretations will be applied by the Group from annual periods beginning on January 1, 2014 at the earliest or on the date of their adoption by the European Union. However, no material impact on the Group is expected when these standards and interpretations will be applied.

2.3. CONSOLIDATION

Subsidiaries

The financial statements consolidate the accounts of the company and its subsidiaries. Subsidiaries are those entities (including special purpose entities) which the Group controls by having the power to govern the financial and operating policies. Subsidiaries are fully consolidated from the date on which control is obtained by the Group and are de-consolidated from the date that control ceases. Intercompany transactions, balances, income and expenses and profits and losses are eliminated.

Non-controlling interests represent equity interests in subsidiaries owned by outside parties. The share of net assets of subsidiaries attributable to non-controlling interests is presented as a component of equity. Their share of net income and comprehensive income is recognized directly in equity. Changes in the parent company’s ownership interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

Investment in associates

Associates are all entities over which the company has significant influence, but not control. The company accounts for its investment in associates using the equity method. The company’s share of profits or losses of associates is recognized in the consolidated statement of income and its share of other comprehensive income (loss) of associates is included in other comprehensive income.

Unrealized gains on transactions between the company and an associate are eliminated to the extent of the company’s interest in the associate. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Dilution gains and losses arising from changes in interests in investments in associates are recognized in the consolidated statement of income.

Special purpose companies

The asset-backed securitisation programme (described in the Financial Risk Management section below) involved the sale of future lease receivables and related residual value receivables to special purpose companies. Special purpose companies are companies created to accomplish a narrow and well-defined objective, such as the securitisation of leased assets. The financial statements of special purpose companies are included in the Group’s consolidated financial statements where the substance of the relationship is that the Group continues to be exposed to risks and rewards from the securitized leased assets. The Group uses various legal entities, which have been incorporated specifically for the Group’s securitisation transactions, and these companies are therefore regarded as subsidiaries and included in the consolidation scope of the consolidated financial statements of the Group.

2.4. FOREIGN CURRENCY TRANSLATION

2.4.1. Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The consolidated financial statements are presented in million of Euros, which is the Group’s presentation currency and it has been rounded to the nearest million, unless otherwise indicated. In certain cases, rounding may cause non-material discrepancies in the lines and columns showing totals.

2.4.2. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within “Interest income or charges”. All other foreign exchange gains and losses are presented in the income statement within the “Gross profit”.

2.4.3. Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at weighted-average annual exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in equity.

The main exchange rates used in the consolidated financial statements for the years ended December 31, 2013 and December 31, 2012 are based on Paris stock exchange rates and are as follows:

	Dec. 31, 2013		Dec. 31, 2012 Restated	
	Period-end Rate	Average Rate	Period-end Rate	Average Rate
EUR / UK Pound:	0.8337	0.8493	0.8161	0.8109
EUR / Danish Krone:	7.4593	7.4579	7.4610	7.4435
EUR / Swedish Krona:	8.8591	8.6505	8.5820	8.7190

2.5. LEASE OPERATIONS

2.5.1. Operating lease portfolio

Operating lease portfolio comprises cars leased under operating lease contracts. A lease is classified as an operating lease if the Group retains substantially all the risks and rewards incidental to ownership.

The cost of the operating lease cars comprise their purchase price and any incremental and directly attributable costs of bringing the assets held for use in operating leases to working condition for its intended use. Import duties and non-refundable purchase taxes are included in the purchase price and any trade discounts are deducted when calculating the purchase price. Furthermore, lease incentives and volume bonuses are also taken into account and depreciated over the expected lease term.

The operating lease instalments are fully recognised on a straight-line basis over the lease term, with the exception of that portion considered to be service income. The instalments are classified and presented in the following categories in the income statement: (i) revenues; and (ii) interest income (effective interest method).

2.5.2. Finance lease portfolio

Car leases where substantially all the risks and rewards incident to ownership of an asset are transferred by the Group to the lessee are classified as finance lease receivables. These contracts are recognised as financial assets at an amount equal to the present value of the minimum lease payments (including guaranteed residual value) and the unguaranteed residual value accruing to the Group, after deduction of provisions deemed necessary in respect of bad and doubtful debts and any accumulated impairment losses. Initial direct costs are included in the initial measurement of the finance lease receivables.

The finance lease instalments can comprise various components each having its own revenue recognition. The instalments are classified and presented in the following categories in the income statement: (i) interest income (the difference between the gross receivable and the present value of the receivable is unearned finance income and is recognised over the term of the lease using the effective interest method); and (ii) revenues (to the extent that services are included in the lease).

2.5.3. Fleet management services

These services include arranging for vehicle delivery and administration of the title and registration process, as well as tax and insurance requirements, ensuring maintenance of the vehicle, pursuing warranty claims, providing fleet policy analysis and recommendations, benchmarking, and providing vehicle recommendations.

2.6. PROPERTY AND EQUIPMENT

2.6.1. Other property and equipment

Other property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost can be measured reliably. Repairs and maintenance costs are charged to the statement of income during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

- Property: 30 - 50 years
- Furniture and fixtures: 3 - 12 years
- Hardware: 3 - 5 years
- Company cars: 3 - 4 years

The company allocates the amount initially recognized in respect of an item of property, plant and equipment to its significant parts and depreciates separately each such part. The carrying amount of a replaced part is derecognized when replaced. Residual values, method of amortization and useful lives of the assets are reviewed annually and adjusted if appropriate.

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.6.2. Property and equipment under operating lease and rental fleet

Property and equipment under operating lease and rental fleet are measured at cost less accumulated depreciation and impairment losses. Vehicles are capitalized based on (i) the acquisition price, (ii) all expenditures for items owned by the company and considered a permanent addition to the vehicle (e.g. radios, anti-theft devices, etc.) at the time of contract commencement, (iii) initial external direct costs including commissions and legal fees and (iv) delivery cost where material.

The assets subject to operating leases are presented in the balance sheet according to the nature of the asset. The depreciation policy for depreciable leased assets is consistent with the Group's normal depreciation policy for similar assets. The leased assets are depreciated on a straight-line basis over its contract period to its residual value. The contract period ranges on average between 3 to 5 years. The assets' residual values are reviewed and adjusted, if appropriate, at each balance sheet date.

Upon termination of the lease or rental contract the relevant assets are reclassified to the caption "Inventories" at their carrying amount. The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date.

2.7. INTANGIBLE ASSETS

2.7.1. Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquirer. Goodwill is measured at cost less any accumulated impairment losses. When the excess is negative (negative goodwill), it is recognized immediately in the statement of income.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored as follows:

- at a subsidiary level for all significant and independent countries; in these countries, the activity of the subsidiary is driven independently, either because the market is specific or because the organization has been built in order to drive the business on a standalone basis, helped with the technical support of the central functions of the headquarter; this is the case for most of the large subsidiaries in Europe (France, UK, Germany...) and some medium and small subsidiaries in Americas and Asia;

- at an aggregated level ("hubs") when internal management reporting is organised to measure performance (and prepare business plans) at a higher level (group of CGUs). The Group identified the 5 following hubs:

- BENELUX: Belgium, Luxembourg, Netherlands
- Nordics Hub: Denmark, Finland, Norway, Sweden
- Central Europe Hub: Austria, Croatia, Hungary, Serbia, Slovenia, Switzerland
- North Eastern Europe Hub: Estonia, Latvia, Lithuania, Russia, Ukraine
- South Eastern Europe Hub: Greece, Romania, Turkey

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2.7.2. Other intangible assets

Internal software development costs are capitalized during the application development stage. The costs capitalized relate to external direct costs of materials and services and employee costs related to the time spent on the project during the capitalization period. Capitalized software is evaluated for impairment annually or when changing circumstances indicate that amounts capitalized may be impaired. Impaired items are written down to their estimated fair values at the date of evaluation.

2.8. IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life - for example, goodwill or intangible assets not ready to use - are not

subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill, that suffered an impairment, are reviewed for possible reversal of the impairment at each reporting date.

2.9. NON - CURRENT ASSETS (OR DISPOSAL GROUPS) HELD FOR SALE

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

2.10. FINANCIAL ASSETS

2.10.1. Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "receivables from financial institutions", "receivables from clients" and "cash and cash equivalents" in the balance sheet.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

2.10.2. Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in the income statement within "unrealized gains/losses on financial instruments" in the period in which they arise.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

2.11. IMPAIRMENT OF FINANCIAL ASSETS

2.11.1. Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or Group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

For loans and receivables category (including lease receivables), the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement and is separately disclosed as part of net operating and finance income.

2.11.2. Assets classified as available for sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. The impairment loss is the difference between the original cost of the asset and its fair value at the measurement date, less any impairment losses previously recognized in the statement of income. This amount represents the loss in accumulated other comprehensive income that is reclassified to net income.

Impairment losses on financial assets carried at amortized cost and available-for-sale financial instruments are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized. Impairment losses on available-for-sale equity instruments are not reversed.

2.12. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in note 19. Movements on the hedging reserve in other comprehensive income are shown in consolidated statement of changes in equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

The Group designates certain derivatives as either:

(a) Fair value hedge: hedges of the fair value of recognised assets or liabilities or a firm commitment.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The Group only applies fair value hedge accounting for hedging fixed interest risk on borrowings. The gain or loss relating to fair value hedges is recognised in the income statement within “unrealised gains/losses on financial instruments”.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity.

(b) Cash flow hedge: hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the income statement within “unrealised gains/losses on financial instruments”.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the income statement.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

(c) Derivatives: changes in the fair value of derivatives that are not designated as a hedging instrument are recognised immediately in the income statement in the caption “Unrealised gains/(losses) on financial instruments”.

2.13. INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Upon termination of the lease or rental contract the relevant assets are reclassified from the caption “Property and equipment under operating lease and rental fleet” to the caption “Inventories” at their carrying amount. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.14. RECEIVABLES FROM CLIENTS AND FINANCIAL INSTITUTIONS

This caption includes:

- lease instalments receivable from the finance and operating lease portfolio, from the rental portfolio and receivables arising from other business activities;
- amounts receivable from French and foreign credit institutions with fixed or determinable payments.

These receivable balances are shown after any accumulated impairment losses and are initially measured at fair value and subsequently at amortised cost using the effective interest method.

2.15. OTHER RECEIVABLES AND PREPAYMENTS

Other receivables and prepayments include prepayments in respect of expenses attributable to a subsequent period plus amounts still to be received.

2.16. CASH AND CASH EQUIVALENTS

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities. Cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The short-term characteristic of a cash equivalent is generally taken as a term of three months or less from the date of acquisition.

2.17. EMPLOYEE BENEFITS

The group operates various post-employment schemes, including both defined benefit and defined contribution pension plans.

2.17.1. Pension obligations

Group companies operate various pensions' schemes. The Group has both defined benefit plan and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in income. For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

2.17.2. Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2.17.3. Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.18. PROVISIONS

Provisions for restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Damage risk provision

The Group provides customers with an own damage and repair cover in exchange of the payment of a monthly premium. Own damage revenues are recorded in the caption "Revenues".

In parallel, the Group calculates the own damage reserve based on two elements:

(i) Open claims reserve: this reserve corresponds to the amount required to meet the costs of future claims, net of recoverable amounts, which have already occurred and been reported. This reserve is determined as follows:

- An average cost is calculated on the basis of the incident type and past experience.

(ii) Allowance for losses incurred but not yet reported (IBNR): the IBNR is determined based on the average delay between an incident occurring and the claim being reported, average claim frequency and the average cost per claim for the 12 previous months.

At the end of each month, the Group performs an adequacy test in respect of the level of the own damage reserve. In the event that the level of the reserve falls below the amount of open claims reserve plus IBNR, as determined above, then an immediate adjustment is made to adjust the reserve at this level. Open claims remain open so long as it is reasonably considered that the claim will be payable. Where there is a stop-loss policy in place, limiting the risk of losses above a set level, open claims plus IBNR are booked only up to the level of the stop-loss. Beyond that level, all claims are debited to the reinsurance provider

of the stop-loss cover. Any stop-loss cover on individual incidents is also taken into account in evaluation of claims plus IBNR. Gross claim costs are reduced to the level of cap per incident. Even where stop-loss cover is in place, if total claims are anticipated to be below the level of premium and stop-loss cover, then profit is booked in the normal way.

2.19. TRADE PAYABLES

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.20. BORROWINGS, BONDS AND ENTRUSTED FUNDS

Interest-bearing loans and borrowings are the Group's sources of debt funding and relate to borrowings from financial institutions, funds entrusted and issued bonds issued. Interest-bearing loans and borrowings are recognised initially at fair value plus any transaction costs attributable to these loans. Subsequent to initial recognition, interest-bearing loans and borrowings are measured at their amortised cost using the effective interest method. Any difference between cost and redemption value is recognised in the income statement over the term of the loans and borrowings.

2.21. CURRENT INCOME AND DEFERRED TAX

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax

asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.22. REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Group recognised revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below.

Revenues include the various components of the lease instalment, such as repair, maintenance and tyres, damage risk retention and depreciation.

The interest portion of the lease instalment is classified under the caption "Interest income and charges", using the effective interest method (cf. 2.24 below).

(a) Operating leases

Regarding operating leases, depreciation and interest revenue is recognised on a straight-line basis over the lease term, based on the total of the contractual payments divided by the number of months of the lease term.

(b) Finance leases

Regarding finance leases, the net gross earnings are allocated between the capital amount and finance income. The capital amount is used to reduce the receivable balance and the income is recognised in the profit and loss in each period so as to give a constant periodic rate of return on the net investment in the lease. The Group uses the net investment method to allocate gross earnings, which excludes the effect of cash flows arising from taxes and financing relating to a lease transaction. In addition:

- (i) The amount due from the lessee under a finance lease is recognized in the balance sheet as a receivable at an amount equal to the net investment in the lease. Over the lease term, rentals are apportioned between a reduction in the net investment in the lease and finance income. The net investment in a lease is equivalent to the gross investment discounted at the interest rate implicit in the lease.
- (ii) At any point in time during the lease term, the net

investment is represented by the remaining minimum lease payments, less that part of the minimum lease payments that is attributable to interest.

(c) Other operating revenue for services

(i) Proceeds of cars sold: Revenues also include the proceeds of the sale of vehicles from terminated lease contracts and rental revenues from renting out the rental fleet portfolio. The proceeds from the sale of vehicles are recognised when the objects are sold.

(ii) Intermediation: In some instances of service provision, an entity of the Group may be acting as an intermediary between a customer and a third party. Examples of such services include the provision of fuel cards, road taxes, the re-bill of maintenance charges to customers who have chosen not to include maintenance in their leasing contracts, etc. Since no value is added by the Group, they are therefore not presented as revenues.

(iii) Informal extensions: where a customer retains the car for a period beyond the normal return date (informal extension), normal contractual depreciation will continue to be booked.

(iv) Regarding operating leases, where significant up front ("balloon") payments (greater than 10% of list price of vehicle) are made by customers at the beginning of the lease agreement, these must be booked to the balance sheet and recognised straight-line over the period of the lease agreement. Regarding finance leases, upfront payments and initial direct costs are taken into consideration in calculating the implicit interest rate in the lease and recognised evenly over the life of the lease as an adjustment of yield.

(v) Lease incentives: where incentives are provided to the lessee when negotiating a new or renewed lease (e.g. upfront cash payments to the lessee, reimbursement or absorption of costs by the lessor or free or reduced rents given at the beginning of the lease term), such incentives are recognised as a reduction of rental income over the lease term on a straight line basis.

(vi) Interest on Late Payment: Where interest on late payment is billed to customers, the related revenue is only recognized when funds are received.

(vii) Lease Deposits: Lease payment advances received in the form of deposits are held on the Balance Sheet and released in accordance with the relevant contractual agreements.

2.23. COST OF REVENUES

Cost of revenues comprises the cost associated with providing the above-mentioned service components of the lease instalment.

Cost of revenues also includes the carrying amount of the sold vehicles and the costs associated with the rental activities.

2.24. INTEREST INCOME AND CHARGES

Interest and similar income and interest expenses and similar charges for all interest-bearing assets and liabilities are recognised in the income statement on an accrual basis using the effective interest method. The effective interest

rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability to the carrying amount of the financial asset or liability.

The interest income component in operating lease instalments, which is charged on a straight-line basis to the client (refer to paragraph 2.22 above), is presented based on the effective interest method in interest income using the interest rate included in the lease contract and based on the net investment value of the leased asset. The correction required to arrive at a total straight-line recognition for operating lease contracts is part of revenues.

Interest income on finance lease contracts is recognised in the income statement on the basis of accruing interest income on the net investment (using the effective interest method). The receipts under the lease are allocated by the lessor between reducing the net investment and recognising interest income, so as to produce a constant rate of return on the net investment (refer to paragraph 2.21 above).

2.25. GENERAL AND ADMINISTRATIVE EXPENSES

This item includes office overheads, automation costs, advertising costs, professional fees and other general expenses.

2.26. SHARE-BASED PAYMENTS

The Group is involved in two free share plans and one stock-option plan as of December 31, 2013 granted by the parent company, Société Générale. The management makes the following distinctions:

- Free shares plan granted to all ALD employees ("PAGA"), with the following turnover rate assumption: 8.7% for French entities, 17.6% outside France. All employees were granted 40 Societe Generale shares in November 2010, subject to attendance and performance conditions. At December 31, 2013, 755 employees in France (755 at December 31, 2012) and 2,802 employees outside France (2,802 at December 31, 2012) benefit from this plan. The vesting period and the holding period depend on the location of the entity in which the employee works:

> In France: the vesting period ends on March 29, 2013
for the first section i.e. 16 shares and on March 31, 2014
for the second section i.e. 24 shares.

The shares will be made available after a period of 2 years.

> International: the vesting period ends on March 31, 2015 for the first section i.e. 16 shares and on March 31, 2016 for the second section i.e. 24 shares. There is no holding period.

The share price at grant date is equal to EUR 42.1. The valuation method used to determine the fair value is the arbitrage model. These fair values amount to:

> France: EUR 35.82 for the first section and EUR 34.55 for the second section.

> International: EUR 34.55 for the first section and EUR 33.15 for the second section.

- Free shares plan ("AGA", and to very limited extent stock option plan) granted to a limited number of managers, subject to attendance conditions. At December 31, 2013, 139 employees benefit from 37,578 shares (83 employees benefit from 45,707 shares at December 31, 2012).

Societe Generale grants rights to its equity instruments directly to the employees of the company: the parent (not the subsidiary) provides these employees of the company with the equity instruments. Therefore, in accordance with IFRS 2, the company shall measure the services received from its employees in accordance with the requirements applicable to equity-settled share-based payment transactions, and recognise a corresponding increase in equity as a contribution from the parent.

The services received and corresponding increase in equity amounted to EUR 0.9 million in 2013 and EUR 1.3 million in 2012.

3. FINANCIAL RISK MANAGEMENT

3.1. FINANCIAL RISK FACTORS

(a) Credit risk

The credit risk is the risk of losses arising from the inability of the Group's customers to meet their financial commitments. Credit risk includes the counterparty risk. In addition, credit risk may be further amplified by concentration risk, which arises from a large exposure to a given risk, to one or a few counterparties.

Credit risk management policy

Credit risk is the risk that a customer is not able to fulfil its financial obligations towards ALD. All ALD entities have to comply with risk procedures issued centrally which define the way credit requests have to be studied and validated, as well as the roles and responsibilities of all actors involved in the credit vetting process. Each entity has a specific credit authority approved by ALD International General Management and the Risk Department of Société Générale Group, and determined according to the size of the fleet, the maturity of the subsidiary and the type of customer concerned (corporate, retail, financial institution etc..). Within its credit limit, each entity can decide directly on its counterparty risk. Above this threshold, credit acceptance is made at central level jointly Risk department of Société Générale.

In coordination with the risk department of the Group, regular risk committees are performed by ALD International in order to review all potential risk issues and to ensure the credit risk procedures are properly applied. All standard risk indicators (arrears / default / cost of risk...) are also monitored centrally. All ALD entities are applying the same process locally.

Debt collection remains by nature under the direct responsibility of ALD's subsidiaries with dedicated teams in charge of recovering unpaid invoices in compliance with local regulations and market practices. Local processes need, however, to be compliant with the corporate instructions and guidelines distributed to the whole network. Central monitoring of all ageing balances is performed on a monthly basis as part of the regular risk

reviews, and actions plans are set up whenever necessary under the supervision of the Country Manager.

Cost of risk has historically remained very low due to the nature of the products proposed by ALD, a strict control of the risk assessment process and a very diversified customers portfolio.

Credit risk measurement

The Group applies the Basel II regulations for customers in default. Consequently, a customer is in default as soon as one of the three following conditions applies:

- 1) Legal proceedings (or a similar event in accordance to local legislation) are in progress which has resulted in the customer being placed either in bankruptcy or legal liquidation or receivership;
- 2) One or several overdue invoices for more than 90 days (270 days in the case of public or sovereign counterparties) have been recorded and a settlement procedure has been initiated;
- 3) A significant degradation of the customer's financial situation has taken place, making it likely that the customer will be unable to fulfil his overall commitments and there is therefore an important probability of losses.

When a credit risk emerges, the following items are booked:

- Reclassification of the sound outstanding as doubtful
- Provision for credit loss

Where the customer is in default, the whole of the customer balance is classified as doubtful as a result of the "contagion principle". The application of this principle leads to classify as doubtful all outstanding amounts relating to a customer that is deemed to be in default regardless of the age of the invoice (i.e. a customer is either solvent or not). If the customer belongs to a group of companies, or in cases where the parent company has been classified as in default, a case-by-case study is undertaken to establish whether it is necessary to apply the same treatment to all the legal entities included in that group. This "contagion principle" does not apply, however, in the following cases:

- Receivables subject to a risk of non-recovery which are affected by isolated legal disputes not related to the solvency of the counterparty
- Credit risk dependent on the solvency of a third party and not the counterparty

Provision is only made in respect of customer receivables where the customer is considered to be in default (receivable is impaired). The provision made for risk of default is consistent with the credit rating of each customer. The provision must be sufficient to cover the entire probable loss on total or partial non-recovery of the loan.

The provision is based upon the full amount outstanding for the customer in default.

In the case of an operating lease, ALD remains the owner of the vehicle and provision is made against the recorded receivables relating to issued invoices. In addition, where it is considered likely that the vehicles will be returned, a further provision is required for the amount of the likely shortfall from the sale of the asset.

Where there are guarantees from the customer giving us the right of offset in the event of a default, these amounts

are taken into account in assessing the provision on a customer basis.

Information on past due and impaired receivables

Information on past due (split in past due up to 90 days, past due between 90 to 180 days and past due over 180 days) or impaired receivables is provided in note 16 "Receivables from clients and financial institutions" below.

The amounts presented in the table below include loans and receivables by Basel II portfolio that are past due but not individually impaired.

Year ended December 31, 2013							
(in € million)	Loans and receivables to customers						Total
	Banks	Corporates	Small and medium enterprises	Specialised lending	Credit to individuals	Very small companies	
"Amounts including past due between 1 to 30 days "	-	0.6	4.1	0.1	0.2	3.1	8.1
Amounts including past due between 31 to 60 days	-	2.7	0.8	-	0.1	2.3	5.9
"Amounts including past due between 61 to 90 days "	-	-	0.1	-	-	0.2	0.3
"Amounts including past due between 91 to 180 days "	-	-	-	-	-	0.2	0.2
"Amounts including past due between 181 days to 1 year"	-	-	-	-	-	-	-
Amounts including past due over 1 year	-	-	-	-	-	-	-
Total	-	3.3	5.0	0.1	0.3	5.8	14.5

Year ended December 31, 2012 (restated)							
(in € million)	Loans and receivables to customers						Total
	Banks	Corporates	Small and medium enterprises	Specialised lending	Credit to individuals	Very small companies	
"Amounts including past due between 1 to 30 days "	0.1	0.5	6.9	0.3	0.4	4.9	13.1
Amounts including past due between 31 to 60 days	-	-	2.1	-	0.2	0.5	2.8
"Amounts including past due between 61 to 90 days "	-	-	9.1	-	-	0.2	9.3
"Amounts including past due between 91 to 180 days "	-	-	-	-	-	-	-
"Amounts including past due between 181 days to 1 year"	-	-	-	-	-	-	-
Amounts including past due over 1 year	-	-	-	-	-	-	-
Total	0.1	0.5	18.1	0.3	0.6	5.6	25.2

Derivative financial instruments

In addition to its natural exposure to credit risk in the leasing of vehicles, the Group is also exposed to credit risk because of its use of derivative financial instruments and because of excess cash being deposited with banks. The Group controls this risk by requiring minimal external rating grades that such external counterparties are assigned.

(b) Treasury risk

Treasury risk entails 3 types of risks: Liquidity risk, interest rate risk and foreign exchange risk.

- Interest rate risk is the risk that the profitability of the Group is affected by movements in interest rates.
- Foreign exchange risk is the risk that the profitability is affected by currency fluctuations.
- Liquidity risk is the risk that the Group is not able to meet its cash flow obligations when they fall due, because of a mismatch between the financing of its assets and liabilities.

Group Treasury risks management policy consists in matching asset and liabilities in terms of maturities, currencies, and interest rate exposure. Group procedures defining the risks sensitivity measurement and tolerance are applied across the

group and allow a close monitoring of the treasury risk. These risks are monitored on a group level by the Group's central Treasury, which reports on a quarterly basis to the management team of ALD International during a dedicated committee. This committee is informed about all relevant developments with regard to the Group's treasury risk profile and decides any action to mitigate the risks when necessary.

Interest rate risks management

ALD policy consists in financing the underlying assets with fixed rate loans as lease contracts are priced in fixed rate, in order to avoid any mismatch between assets and liabilities. Structural interest rate risk arises from the residual gap (surplus or deficit) in each entity's fixed-rate forecasted position. To this end, any residual interest rate risk exposure must comply with the sensitivity limits set for each entity. The sensitivity is defined as the variation in the net present value of the future residual fixed-rate positions (surplus or deficit) for a 1% parallel increase in the yield curve.

The Group Central Treasury monitors the interest rate risks exposure and advises subsidiaries to implement the adequate hedging operations. A monthly reporting measuring the interest risk exposure is produced by each entity to be reviewed and consolidated by the Group Treasury department.

Due to this close follow up of the interest rate risk exposure by the entity and thanks to the supervision of asset and debt monitoring performed at a central level, ALD Group interest rate sensitivity has always been very satisfactory.

Foreign exchange risks management

ALD Group is present in 20 countries outside the Euro zone and is therefore exposed to foreign exchange risks related to inflows and outflows of cash from daily business activities as well as participations in subsidiaries outside the Euro zone.

Currency risks related to the current business activities are very limited as there is no cross border leasing business. ALD Group policy consists in financing the underlying asset in the same currency as the corresponding lease contract.

The residual foreign exchange risk is managed in order to immunize the Group's solvency ratio against fluctuations in the currencies it operates.

To achieve this goal, ALD quantifies its exposure to structural exchange rate risks for each subsidiary by analysing all assets and liabilities arising from commercial operations and proprietary transactions. The risk sensitivity is measured by quantifying the impact of a variation of 10% of the exchange rate (hard currencies against local currency) and a threshold is defined for each subsidiary. ALD Group Treasury department is responsible for monitoring structural exchange rate positions and manages the immunization of the solvency ratio to exchange rate fluctuations.

Currency risks related to the equity invested in foreign currencies are not hedged at a group level, as the risk exposure has not been considered as being significant.

Liquidity risks

ALD Group is exposed to the liquidity risk as the risk of not being able to meet cash flow requirements when they fall due and at a reasonable price. A structural liquidity position is defined as resulting from the maturities of all balance sheet or off balance sheet outstanding positions according to their liquidity profile.

ALD Group exposure to liquidity risks is limited as the group policy consists in financing the underlying asset with the same duration as the corresponding lease contract. A residual liquidity gap is measured on a monthly basis, under the supervision of ALD Group Treasury department, by controlling if a run off of the existing leased asset would match with the remaining liabilities.

The liquidity position measured is then reviewed and consolidated at a group level. Any deviation from the sensitivity threshold is corrected under the supervision of the Group central Treasury.

The ALD Group was mainly funded through Société Générale group (94% of the funding) at December 31, 2012, and started to raise external funds in 2013 through asset-backed securitisation programme and EMTN bonds programme described below.

Most of the funding provided by SG Group is granted through Société Générale Bank and Trust (SGBT) based in Luxembourg. SGBT funds ALD Group Central Treasury which then grants loans in different currencies to 17 ALD subsidiaries as well as to the holding companies. The total amount of loans granted by SGBT amounted to EUR 5,674.1 million as of December 31, 2013 for an average maturity of 1.92 years and an average rate of 2.62%.

The remaining SG funding is provided either from local SG branches or SG Group Central Treasury in Paris, representing EUR 1,345.8 million as of December 31, 2013.

26.7% of fiscal year 2013 funding is provided from local external banks or third parties, representing EUR 2,556.7 million as of December 31, 2013.

The following funding arrangements concluded by the Group in 2013 impacted the assessment of liquidity risk:

Securitisation

During 2013, the Group has entered into asset-backed securitisation programmes in three European countries. The following debt securities were issued:

Programme	Originator	Country	Special purpose company	Currency	Transaction value (*)
ALD Funding Limited	ALD	UK	ALD Funding Limited	GBP	300 million
Red and Black auto lease germany	ALD	Germany	Red and Black auto lease germany	EUR	400 million
Axus Finance NL B	ALD	Netherlands	Axus Finance NL B	EUR	200 million

(*) Transaction value at issue date

These transactions involved the sale of future lease receivables and related residual value receivables to special purpose companies. Debt securities were issued by those special purpose companies and sold to external investors for a total amount of GBP 300 million in the UK in March 2013 for a two-year revolving period, EUR 400 million in Germany in May 2013 for a one-year revolving period and EUR 200 million in the Netherlands in December 2013 for a one-year revolving period. The special purpose companies are responsible for making interest and principal payments to the note-holders. The note-holders do not have recourse on the Company or other Group companies in case of non-performance or default by the special purpose companies. The Group has deposited cash collateral (reserves) for these securitisation transactions for a total amount of EUR 9.7 million.

Those raised funds were used to repay a portion of the internal loans granted by SocGen. Overall breakage costs incurred by these subsidiaries amounted to EUR 13.8 million. These funds were raised either with a fixed rate (Germany) or a floating-to-fixed rate hedge (UK and Netherlands). Existing loans that have been repaid had a fixed rate and a similar amortisation profile to the issued notes, accordingly there is no additional exposure to interest rate or liquidity risks.

The maturity of the asset-backed securitisation programmes is as follows:

(in EUR million)	Dec. 31, 2013
Less than 1 year	324.5
1-5 years	635.6
Over 5 years	-
Total securitisation programme	960.1

For further details on the transactions reference is made to notes 9 and 21.

Corporate bond

The Group is also engaged in a Euro Medium Term Notes (EMTN) programme. The EMTN programme limit is set at EUR 6 billion for the aggregate nominal amount of notes outstanding at any one time. An application has been filed with the Luxembourg Stock Exchange in order for the notes issued under the programme to be listed on the official list and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange. The programme is rated BBB by Standard & Poor's ratings services.

The first bond was issued in June 2013 for a total consideration of EUR 500 million, at a fixed rate of 1.875% and maturing on June 13, 2016.

An amount of EUR 150 million out of the EUR 500 million raised has been used for the early repayment of certain loans contracted by ALD International. Overall loan repayments made by ALD International SA amounted to EUR 189 million.

The remaining EUR 350 million has been lent to the ALD Group Central Treasury in Luxembourg in order to fund the activities of subsidiaries.

The second bond was issued in November 2013 for an amount of EUR 500 million at a fixed rate of 2.00% and maturing on May 2017. An amount of EUR 90 million out of the EUR 500 million raised has been used for the early repayment of certain loans by ALD International SA. Overall loan repayments made by ALD International SA amount to EUR 113 million.

The remaining EUR 410 million has been lent to ALD Group Central Treasury in Luxembourg in order to fund the activities of the subsidiaries.

Schuldscheine:

ALD International has issued for the first time a Schuldscheine in Germany for EUR 20 million at a floating rate of 6 Months Euribor + 130 bp and maturing on November 2017. The whole amount has been lent to ALD Group Central Treasury in Luxembourg to fund the subsidiaries.

The maturity of the loan granted by ALD International to ALD Luxembourg corresponds to the maturity of the bond and to the maturities of the different loans granted by the Group Treasury to ALD subsidiaries in the Euro zone. As a result, the interest rate sensitivity and the liquidity gaps of both ALD International and ALD Group Central Treasury in Luxembourg remain within the defined limits.

The presentation of financial borrowings by maturity is provided in note 21 below.

(c) Asset risk

The Group is exposed to asset risk, which can be split into two main underlying risk components: the residual value risk and the risk related to service maintenance.

Residual value risk

The residual value, defined as the value of the vehicle at the end of the lease as estimated by ALD International at inception of the lease, may differ from the future market value of the car at the end of the contract. This difference is a part of the global risk on used car sales and is managed in ALD International Group through robust internal procedures applied to all ALD subsidiaries in order to set, control and reevaluate the residual values on the running fleet. The residual value setting procedure defines the processes, roles and responsibilities involved in the definition of residual values that will be used for the quotation of future contracts. Residual value setting is performed locally as the expertise in used car market is local and controlled and approved centrally. Calculation is based on refined market segmentation and on a statistical model using our own used car sales track record for each market segment as well as Trade Guides references and country specific factors (inflation, market sector adjustments, life cycle etc.). Residual value setting is reviewed with local general management during a local pricing committee held at least twice a year (quarterly for larger subsidiaries), and then controlled and validated at an international level.

Residual values of the current running fleet are controlled at list yearly (twice a year for the entities with more than 5,000 vehicles). It is performed at local level through a revaluation process which is reviewed and approved at international level. The current residual value embedded in the contract is compared with the expected market value on a car by car basis. Revaluation adjustments are accounted for on a portfolio

basis whenever necessary, in order to match the expected market value at contract ending and mitigate any market risk.

In accordance with IAS 8, a residual value is treated as an accounting estimate; as such, all potential car sales losses are booked equally between the date of the valuation and the end of the contract. The residual value of the total lease portfolio at December 31, 2013 amounts to EUR 5,765 million corresponding to the Group's residual position at this date.

Risk related to services maintenance and tyres

The maintenance risk is the risk that the actual costs of maintenance sustained during the contract life are above the costs forecast and set in the quotation at the beginning of the contract. Maintenance pricing setting is done locally using local historical statistics, under the supervision of ALD International. A global review of the maintenance margins is done for each country on regular basis in order to back test the pricing assumptions in terms of costs and frequencies and to make the necessary adjustments if maintenance and tyre costs are higher in the latter part than in the first part of a contract's life. In order to match income with costs, maintenance and tyre income are recognized in line with the normal maintenance cost curve; this curve is profiled in order to match local actual historical maintenance expenditures and is reviewed periodically in order to ensure reliability.

As a result of application of this policy, the deferred maintenance revenue is booked in a maintenance income reserve during the first part of the contract, and released from this reserve during the latter part. Maintenance profit or loss on the contract will be recognized during the life of the contract. The monthly profit and loss result will be the difference between the profiled revenue and actual costs. In addition each month, an estimate is made of actual maintenance and tyre costs incurred but not yet received (IBNR) at the month end and an accrual for these costs is made.

(d) Insurance risk

The Group is exposed to the risk of damage to vehicles within its fleet and also to liability to third parties arising from accidents involving vehicles in its fleet. This risk can take the form of third party liability (TPL), legal defence, material damage or passenger indemnity. Where the Group decides not to retain this risk or is legally obliged to buy insurance, this risk is placed through local insurance companies. However, for some local ALD entities, the Group has selectively decided that the entity retain the material damage risk to its own vehicles, where it is justified by the fleet size, the fleet risk profile and local market conditions. The entity managing this material damage risk must comply with strict internal procedures in terms of pricing setting, risk selection, and reserve setting. Material own damages reserves are a combination of the estimated amount required to meet the costs of future claims plus an estimation of future claims costs which have been incurred but not reported (IBNR). This IBNR is based on statistical analysis of damage frequency. The Group also selectively retains some motor risks (material damages, passenger insurance and TPL risks) within its own reinsurance company, ALD Re Limited (ALD Re). ALD Re is based in Ireland and is regulated by the Central Bank of Ireland. The company reinsures TPL, material damages and passenger insurance coverage for approximately 280,000 cars covering 23 entities within the Group. ALD Re strictly monitors its risk universe, including underwriting, market, credit and operational risk, via a strong corporate governance

structure, a clearly defined risk appetite and a developed risk monitoring process. In addition, in order to minimize the financial impact of a single event, ALD Re purchases reinsurance protection for claims above a specified amount. This reinsurance strategy is reviewed at least annually.

In addition, every year, an external independent actuary must opine on whether the level of technical reserves held by ALD Re are considered adequate to meet the future obligations as determined by that independent actuary.

3.2. FAIR VALUE ESTIMATION

The Group analyses financial assets and liabilities by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily cash and cash equivalents and long-term investments (please refer to note 14 "Other non-current and current financial assets")

(b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

Refer to note 19 "Financial assets and liabilities by category".

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(a) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.7.1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. The key assumptions calculating the value in use are those regarding discount rates, growth rates and other expected changes in cash flows. We are using a five-year business plan for each of the CGU or group of CGUs identified.

Based on the assumptions made by the Group, no need for impairment on goodwill has been identified.

Identically, if operating cash flows had been 10% lower than management's estimates or if the estimated cost of capital used in determining the pre-tax discount rate had been 1% higher than management's estimates, no need for impairment would have been identified neither.

(b) Impairment of leased assets

In the annual assessment of whether there is any indication that an asset may be impaired, the Group considers both external as well as internal sources of information. If such indication for impairment exists, an analysis is performed to assess whether the carrying value of the asset or cash generating unit under an operating lease exceeds the recoverable amount, being the higher of the fair value less costs to sell and the value in use. The value in use is determined at the present value of the future cash flows expected to be derived from the object or cash generating unit. The management closely monitors residual values, which are reviewed internally at least each financial year, in accordance with internal procedures. The original residual values within internal system will be compared to the revised residual values expected at contract termination, following a review. The results of this exercise will be used to assess the level of exposure, reserves held and potential impairment required. To prevent impairment on residual values, each country completes a minimum of one annual review of pricing under the supervision of Head Office to ensure that assumptions used in pricing reflect expected future market conditions, thus ensuring residual values are predicted with a reasonable degree of accuracy and on a consistent basis going forward.

(c) Fair value of derivatives and other financial instruments

The fair value of certain financial instruments is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The Group has used discounted cash flow analysis for various available-for-sale financial assets that are not traded in active markets.

(d) Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that is used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation.

Where the discount rate used to differ by +1% from management's estimates, the carrying amount of pension obligations would be an estimated EUR 1.9 million lower.

(e) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

(f) Own damage reserve

The own damage reserve is based on assumptions such as technical damage risk principles, policyholder behaviour, inflation and court decisions. The assumptions may differ from the actual data as a result of changes in economic and market conditions.

SEGMENT INFORMATION

The board of directors is the group's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by the board of directors for the purposes of allocating resources and assessing performance.

Geographically, management considers the performance in the Western Europe, the Nordic countries, the Continental and Eastern Europe, and "BRIC & rest of the world" (where "BRIC" refers to Brazil, Russia - including Baltic countries, India, China).

The board of directors assesses the performance of the operating segments based on a measure of revenue and profit before tax as presented in consolidated financial statements.

Revenue and Profit before tax

Sales between segments are carried out at arm's length. The revenue from external parties reported to the board of directors is measured in a manner consistent with that in the income statement.

(in EUR million)	December 31, 2013		December 31, 2012 Restated	
	Profit before tax	Revenue from external customers	Profit before tax	Revenue from external customers
Western Europe	246.5	3,870.5	163.9	3,748.9
Nordic	82.0	746.6	63.6	757.1
Continental & Eastern Europe	31.3	394.3	23.3	378.5
BRIC and rest of the world	44.6	295.7	36.5	263.4
TOTAL	404.4	5,307.1	287.3	5,147.9

Other disclosures

(in EUR million)	Year ended December 31, 2013		
	Rental fleet	Total assets	Net financial debt (*)
Western Europe	7,213.5	10,258.4	8,297.1
Nordic	1,176.7	1,390.8	47.2
Continental & Eastern Europe	669.3	753.6	546.0
BRIC and rest of the world	508.9	614.3	445.0
TOTAL	9,568.4	13,017.1	9,335.3

(in EUR million)	Year ended December 31, 2012 Restated		
	Rental fleet	Total assets (**)	Net financial debt (*)
Western Europe	7,077.6	10,232.2	8,369.9
Nordic	1,210.2	1,444.1	71.0
Continental & Eastern Europe	665.0	756.5	554.9
BRIC and rest of the world	455.0	555.2	406.6
TOTAL	9,407.8	12,988.0	9,402.4

(*): Net financial debt is defined as the sum of Borrowings from financial institutions (non-current and current) and Bonds and notes issued (non-current and current) minus cash and cash equivalents. as presented in the Group's consolidated balance sheet

(**): Restated amount of the financial statement communicated at December 31, 2012 according to the retrospective application of the IAS 19 amendments. The change is EUR 0.4 million for Tax assets, of which EUR 0.3 million in Western Europe and EUR 0.1 million in Continental & Eastern Europe

CHANGES IN THE SCOPE OF CONSOLIDATION IN THE YEAR ENDED DECEMBER 31, 2011

At December 31, 2013, all companies are fully consolidated, except 2 companies accounted using the equity method.

Closure of the Egyptian business

In June 2013, ALD closed its business in Egypt which represented a total fleet of 978 vehicles (of which 309 vehicles were fleet management). The closure of this business resulted in a loss of EUR 1.5 million in the financial statements.

Purchase of the remaining shares in ALD Spain

In June 2013, ALD Automotive GmbH purchased the remaining 32.6% of shares in ALD Spain held by another subsidiary of the SG Group. The purchase price was set at EUR 50.8 million.

Purchase of the non-controlling interests in Greece and Egypt

In 2013, ALD Automotive GmbH purchased the remaining shares held previously by other subsidiaries of the SG Group.

First Lease BV liquidation

During the second half-year 2013, the German subsidiary has been liquidated.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. REVENUES AND COST OF REVENUES

Revenues (group rental and damage risk retention into leases services)

Revenues are derived from the various service components included within the contractual lease instalments, such as maintenance and tyres, damage risk retention, replacement vehicles and depreciation, as well as the proceeds of the sale of vehicles from terminated contracts.

(in EUR million)	Year ended December 31,	
	2013	2012 Restated
Depreciation	2,290.9	2,224.5
Lease services	1,409.0	1,324.1
Proceeds of cars sold	1,571.6	1,563.9
Other	35.6	35.5
Total	5,307.1	5,147.9

Cost of revenues (group rental and damage risk retention into leases services)

Cost of revenues are derived from the various service components included within the contractual lease instalments, such as maintenance and tyres, damage risk retention, replacement vehicles and depreciation, as well as the cost of the vehicles sold.

(in EUR million)	Year ended December 31,	
	2013	2012 Restated
Depreciation	(2,288.8)	(2,200.6)
Lease services	(1,003.6)	(974.7)
Cost of cars sold	(1,473.5)	(1,566.2)
Other	(6.2)	(6.3)
Total	(4,772.1)	(4,747.8)

Periodically through the year the Group performs fleet revaluations to identify and calculate any impacts of changes in the estimated residual value of the vehicles under operating lease. Any potential risks are provided for prospectively over the remaining estimated useful life and then released upon disposal. The net impact of this provisioning is included within the depreciation cost and in 2013 this impact was a net charge of EUR 16 million (2012: EUR 10.5 million net income).

Gross profit (revenues -/- cost of revenues)

(in EUR million)	Year ended December 31,	
	2013	2012 Restated
Depreciation	2.1	23.9
Lease services	405.4	349.3
Proceeds of cars sold	98.1	(2.3)
Other	29.4	29.2
Total	535.0	400.1

NOTE 2. NET INTEREST INCOME

(in EUR million)	Year ended December 31,	
	2013	2012 Restated
Interest income from operating lease	563.1	556.8
Interest income from finance lease	54.1	64.6
Other interest income	21.0	29.3
Total interest income	638.2	650.7
Interest charges on loans from financial institutions	(276.2)	(319.6)
Interest charges on issued bonds	(10.4)	(3.8)
Other interest charges	(15.8)	(4.3)
Total interest charges	(302.4)	(327.6)
Net interest income	335.8	323.1

“Other interest income” is derived from income received from financial instruments and also income received for cash deposits with third party counterparts.

NOTE 3. IMPAIRMENT CHARGES ON RECEIVABLES

(in EUR million)	Note	Year ended December 31,	
		2013	2012 Restated
Impairment		(24.2)	(31.6)
Reversal of impairment		3.6	7.8
Impairment charges on receivables	16	(20.6)	(23.9)

NOTE 4. STAFF EXPENSES

(in EUR million)	Year ended December 31,	
	2013	2012 Restated (*)
Wages and salaries	(193.8)	(188.2)
Social security charges	(41.9)	(41.1)
Defined benefit post-employment costs	(0.5)	(2.0)
Other staff costs	(19.3)	(17.6)
Total	(255.5)	(248.9)

(*) Restated amounts of financial statement communicated at December 31, 2012 according to the retrospective application of the IAS 19 amendments. The changes are EUR 0.4 million for Wages and salaries and EUR -0.4 million for defined benefit post employment costs.

The average number of staff employed (including temporary staff) by the Group during the year was 4,433 (2012: 4,232). At year-end, the full time equivalent number of staff employed by the Group was 4,581 (2012: 4,286).

NOTE 5. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses mainly includes IT costs, property costs, professional fees and advertising. As part of the Group's strategic plan to diversify the funding sources through asset-backed securities and bond issues, the 2013 accounts included expenses amounting to EUR 3.9 million in relation to these projects.

NOTE 6. DEPRECIATION AND AMORTISATION EXPENSES

(in EUR million)	Notes	Year ended December 31,	
		2013	2012 Restated
Depreciation of other property and equipment	10	(9.9)	(9.8)
Depreciation of intangible assets	10	(4.8)	(4.9)
Total		(14.7)	(14.6)

NOTE 7. DEPRECIATION AND AMORTISATION EXPENSES

Non-recurring operating expenses for the year ended December 31, 2013 relate to:

- One-off breakage costs of EUR 13.8 million due to the partial repayment of the internal loans granted by SocGen in the UK and Germany;
- One-off breakage costs of EUR 7.4 million due to the repayment of a loan granted by SocGen to ALD International SA.
- One-off breakage costs of EUR 11.7 million due to the repayment of a loan granted by SocGen to ALD Luxembourg SA.

NOTE 8. INCOME TAX EXPENSE

Income tax expense

(in EUR million)	Year ended December 31,	
	2013	2012 Restated
Current tax	(124.0)	(51.8)
Deferred tax	27.8	(18.9)
Income tax expense	(96.2)	(70.7)

Effective tax rate reconciliation

(in EUR million)	Year ended December 31.	
	2013	2012 Restated
Profit before tax	404.4	287.3
Standard tax rate in France	34.43%	34.43%
Tax expense at standard rate	(139.2)	(98.9)
Tax calculated at domestic tax rates applicable to profits in the respective countries	39.0	31.3
Tax effects of:		
Associates' results reported net of tax	0.2	0.0
Income not subject to tax	27.4	22.4
Expenses not deductible for tax purposes	(12.4)	(14.5)
Utilisation of previously unrecognised tax losses	0.9	0.6
Tax losses for which no deferred income tax asset was recognised	-	(1.1)
Re-measurement of deferred tax	25.6	(8.2)
Adjustment in respect of prior years	(28.5)	9.8
Other	(9.0)	(12.1)
Total	(96.2)	(70.7)
Effective rate of income tax	23.78%	24.62%

Net deferred tax variation

The gross movement on the net deferred tax account is as follows:

(in EUR million)	Year ended December 31,	
	2013	2012 Restated (*)
Net deferred tax liabilities at January 1,	101.4	82.7
Income statement charge	(28.2)	18.9
Currency translation differences	0.4	(1.3)
Transfer to assets qualified as held-for-sale	(4.4)	1.1
Net deferred tax liabilities at December 31,	69.2	101.4

(*) Restated amounts of financial statement communicated at December 31, 2012 according to the retrospective application of the IAS 19 amendments. The changes during the year are EUR 0.3 million for Tax assets and EUR -1 million for Tax liabilities.

Deferred income tax by nature

(in EUR million)	Year ended December 31,	
	2013	2012 Restated (*)
Accelerated tax depreciation	178.6	214.0
Provisions	(119.4)	(104.4)
Tax losses	(3.1)	(10.2)
Fair value gains	(8.7)	(14.0)
Retirement benefit obligation	(1.4)	(0.2)
Other timing differences	25.7	14.2
Other	(2.5)	1.9
Net deferred tax asset/(liability)	69.2	101.4

(*) Restated amounts of financial statement communicated at December 31, 2012 according to the retrospective application of the IAS 19 amendments. The changes during the year are EUR 0.4 million for Tax assets and EUR -1.6 million for Tax liabilities.

NOTE 9. RENTAL FLEET

(in EUR million)	Rental fleet
Gross amount	12,596.7
Accumulated depreciation & impairment	(3,688.4)
Carrying amount As at January 1, 2012 (as previously reported)	8,908.3
Gross amount	12,596.7
Accumulated depreciation & impairment	(3,688.4)
Carrying amount As at January 1, 2012 (restated)	8,908.3
Additions	4,472.0
Disposals	(1,805.5)
Depreciation charge	(2,200.5)
Transfer (included transfer to inventories)	(1.0)
Currency translation differences	34.6
Closing net book amount As at December 31, 2012 (restated)	9,407.8
Cost	13,426.7
Accumulated depreciation and impairment	(4,018.9)
Carrying amount As at December 31, 2012 (restated)	9,407.8
Additions	4,416.9
Disposals	(1,813.2)
Depreciation charge	(2,288.9)
Transfer (included transfer to inventories)	-
Currency translation differences	(154.2)
Closing net book amount As at December 31, 2013	9,568.4
Cost	13,949.5
Accumulated depreciation and impairment	(4,381.1)
Carrying amount As at December 31, 2013	9,568.4

During the year 2013, the Group concluded three asset-backed securitisation transactions in Germany, the UK and the Netherlands. These transactions involve the sale of future lease instalment receivables and related residual value receivables originated by various Group subsidiaries to special purpose companies (which are included in the Group consolidated financial statements).

ALD continues to retain substantially all of the risks and rewards of the lease receivables as in all programmes they subscribed first class of notes suffering from any realised losses. Therefore ALD continues to recognise the transferred lease receivables in their entirety for EUR 1,252 million at December 31, 2013. The transferred lease receivables cannot be sold.

At December 31, 2013, the accounting value of the associated liabilities is GBP 300 million in the UK, EUR 400 million in Germany and EUR 200 million in the Netherlands.

For further details on the transactions reference is made to the Financial Risks Management Section (Liquidity risks) of the Accounting Principles.

NOTE 10. OTHER PROPERTY AND EQUIPMENT

Other property and equipment:

(in EUR million)	Note	Land	Property	Equipment	Total
Cost		3.3	31.3	66.1	100.7
Accumulated depreciation and impairment		-	(19.9)	(42.8)	(62.7)
Carrying amount		3.3	11.3	23.4	38.0
As at January 1, 2012 (as previously reported)					
Cost		3.3	31.3	66.1	100.7
Accumulated depreciation and impairment		-	(19.9)	(42.8)	(62.7)
Carrying amount		3.3	11.3	23.4	38.0
As at January 1, 2012 (restated)					
Additions		-	2.4	12.8	15.2
Disposals		(0.4)	(1.2)	(4.9)	(6.5)
Depreciation charge	6	-	(2.5)	(7.3)	(9.8)
Transfer to intangible assets		-	-	-	-
Currency translation differences		-	0.1	-	0.2
Closing net book amount		2.9	10.2	24.0	37.1
As at December 31, 2012 (restated)					
Cost		2.9	26.7	65.8	95.4
Accumulated depreciation and impairment		-	(16.5)	(41.8)	(58.3)
Carrying amount		2.9	10.2	24.0	37.1
As at December 31, 2012 (restated)					
Additions		-	2.9	13.1	16.0
Disposals		-	(1.3)	(5.0)	(6.3)
Depreciation charge	6	-	(2.4)	(7.5)	(9.9)
Transfer to intangible assets		-	-	(1.2)	(1.2)
Currency translation differences		-	-	(0.6)	(0.6)
Closing net book amount		2.9	9.4	22.8	35.1
As at December 31, 2013					
Cost		2.9	27.2	66.5	96.6
Accumulated depreciation and impairment		-	(17.8)	(43.7)	(61.5)
Carrying amount As at December 31, 2013		2.9	9.4	22.8	35.1

Other intangible assets:

(in EUR million)	Note	Software	Other	Total
Cost		55.1	0.9	56.0
Accumulated amortisation and impairment		(34.6)	(0.6)	(35.2)
Carrying amount		20.5	0.2	20.6
As at January 1, 2012 (as previously reported)				
Cost		55.1	0.9	56.0
Accumulated amortisation and impairment		(34.6)	(0.6)	(35.2)
Carrying amount As at January 1, 2012 (restated)		20.5	0.2	20.6
Additions		2.1	2.7	4.8
Divestments		(12.6)	(0.4)	(13.0)
Amortisation	6	(4.7)	(0.2)	(4.9)
Transfer to other property and equipment		-	-	-
Currency translation differences		-	0.1	0.1
Closing net book amount As at December 31, 2012 (restated)		5.2	2.4	7.6
Cost		34.7	3.2	38.0
Accumulated amortisation and impairment		(29.5)	(0.8)	(30.3)
Carrying amount As at December 31, 2012 (restated)		5.3	2.4	7.6
Additions		3.3	1.6	4.9
Divestments		(0.1)	(0.4)	(0.5)
Amortisation	6	(4.8)	-	(4.8)
Transfer to other property and equipment		1.2	-	1.2
Currency translation differences		(0.1)	-	(0.1)
Closing net book amount As at December 31, 2013		4.8	3.6	8.4
Cost		38.3	4.3	42.6
Accumulated amortisation and impairment		(33.5)	(0.7)	(34.2)
Carrying amount As at December 31, 2013		4.8	3.6	8.4

NOTE 11. GOODWILL

(in EUR million)	Note	Goodwill
Cost		178.4
Accumulated amortisation and impairment		-
Carrying amount As at January 1, 2012 (as previously reported)		178.4
Cost		178.4
Accumulated amortisation and impairment		-
Carrying amount As at January 1, 2012 (restated)		178.4
Additions		-
Divestments		-
Amortisation	6	-
Currency translation differences		-
Closing net book amount As at December 31, 2012 (restated)		178.4
Cost		178.4
Accumulated amortisation and impairment		-
Carrying amount As at December 31, 2012 (restated)		178.4
Additions		-
Divestments		-
Amortisation	6	-
Currency translation differences		-
Closing net book amount As at December 31, 2013		178.4
Cost		178.4
Accumulated amortisation and impairment		-
Carrying amount As at December 31, 2013		178.4

Goodwill by cash-generating units:

(in EUR million)	As at Jan. 1, 2013	Addition	Divestments	Impairment losses	IFRS5 Impact	As at Dec. 31, 2013
Czech Republic	1.5	-	-	-	-	1.5
France	21.6	-	-	-	-	21.6
Germany D	37.9	-	-	-	-	37.9
Italy	50.2	-	-	-	-	50.2
Poland	1.4	-	-	-	-	1.4
Portugal	2.3	-	-	-	-	2.3
Spain	14.1	-	-	-	-	14.1
UK	22.6	-	-	-	-	22.6
BENELUX	12.0	-	-	-	-	12.0
NORDICS HUB	5.3	-	-	-	-	5.3
CENTRAL HUB	-	-	-	-	-	-
EASTERN HUB	-	-	-	-	-	-
SOUTHERN HUB	9.5	-	-	-	-	9.5
Total	178.4	-	-	-	-	178.4

(in EUR million)	As at Jan. 1, 2012 (restated)	Addition	Divestments	Impairment losses	IFRS5 Impact	As at Dec. 31, 2012 (restated)
Czech Republic	1.5	-	-	-	-	1.5
France	21.6	-	-	-	-	21.6
Germany D	37.9	-	-	-	-	37.9
Italy	50.2	-	-	-	-	50.2
Poland	1.4	-	-	-	-	1.4
Portugal	2.3	-	-	-	-	2.3
Spain	14.1	-	-	-	-	14.1
UK	22.6	-	-	-	-	22.6
BENELUX	12.0	-	-	-	-	12.0
NORDICS HUB	5.3	-	-	-	-	5.3
CENTRAL HUB	-	-	-	-	-	-
EASTERN HUB	-	-	-	-	-	-
SOUTHERN HUB	9.5	-	-	-	-	9.5
Total	178.4	-	-	-	-	178.4

ALD International performs annually an impairment test for each cash-generating unit (CGU) to which goodwill has been allocated.

An impairment loss is recognised in the income statement if the carrying amount of CGU, including its allocated goodwill, is higher than its recoverable amount. This impairment loss is then allocated first to reduce the carrying amount of goodwill.

The recoverable amount of cash-generating unit is calculated using the most appropriate method, generally the discontinued cash flow (DCF). Cash flows were projected on actual financial results and the 5-year business plans.

A discount rate was applied which is built up of a risk-free interest, a market premium multiplied by a market specific beta. There was no impairment recognized in 2013 (2012: nil).

The key assumptions used for value-in-use calculations in 2013 are as follow:

(in EUR million)	Discount Factor	Perpetuity rate
Czech Republic	13.74%	1.00%
France	7.39%	1.00%
Germany D	7.27%	2.00%
Italy	7.47%	2.00%
Poland	12.08%	2.00%
Portugal	8.25%	2.00%
Spain	8.25%	2.00%
UK	9.12%	2.00%
BENELUX	6.60%	2.00%
NORDICS HUB	12.26%	2.00%
CENTRAL HUB	13.52%	2.00%
EASTERN HUB	15.72%	2.00%
SOUTHERN HUB	15.50%	2.00%

NOTE 12. INVESTMENTS IN ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

(in EUR million)	Year ended December 31,	
	2013	2012 Restated
Balance as at January 1,	3.7	2.5
Share of results	0.5	0.1
Currency translation differences	-	(0.1)
Scope changes	-	1.2
Balance as at December 31,	4.2	3.7

Name	Country of incorporation	Assets	Liabilities*	Revenues	Profit/ Loss	% interest held
As at January 1, 2012 (restated)						
ALD Automotive SA Morocco	MOROCCO	27.2	24.8	9.8	0.3	35%
Total		27.2	24.8	9.8	0.3	
As at December 31, 2012 (restated)						
ALD Automotive SA Morocco	MOROCCO	29.4	26.9	11.7	0.1	35%
Nedderfeld 95 Immobilien GmbH & Co. KG	GERMANY	1.2	-	-	-	35%
Total		30.6	26.9	11.7	0.1	
As at December 31, 2013						
ALD Automotive SA Morocco	MOROCCO	37.1	34.1	13.1	0.5	35%
Nedderfeld 95 Immobilien GmbH & Co. KG	GERMANY	1.3	0.1	-	-	35%
Total		38.4	34.2	13.1	0.5	

*Excluding net equity

NOTE 13. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative instruments are used as part of the overall strategy to manage exposure to market risks primarily associated with fluctuations in interest rates (mainly through interest rate swaps) and foreign exchange rates. As a matter of policy, derivatives are not used for speculative purposes. Derivative instruments that are measured at fair value on a recurring basis are included in the caption "Derivative financial instruments" in the consolidated balance sheet.

(in EUR million)	Year ended Dec. 31, 2013		Year ended Dec. 31, 2012 (Restated)	
	Assets	Liabilities	Assets	Liabilities
Interest rate swaps - cash flow hedge	0.3	-	-	0.1
Interest rate swaps - fair value hedge	1.0	1.3	1.6	1.9
Foreign Exchange swaps	12.9	0.6	4.5	1.1
Trading derivatives	48.5	68.2	42.0	79.5
Total	62.7	70.1	48.1	82.6
Less non-current portion:				
Interest rate swaps - cash flow hedge	0.3	-	-	0.1
Interest rate swaps - fair value hedge	-	0.3	1.6	1.9
Foreign Exchange swaps	12.4	0.5	3.7	1.0
Trading derivatives	30.4	56.9	40.7	79.5
Total non-current portion	43.1	57.7	46.0	82.5
Current portion	19.6	12.4	2.1	0.1

The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and, as a current asset or liability, if the maturity of the hedged item is less than 12 months.

(a) Foreign exchange swaps

The notional principal amounts of the foreign exchanges swaps contracts at December 31, 2013 were EUR 108.9 million (2012: EUR 74.1 million).

The hedged highly probable forecast transactions denominated in foreign currency are expected to occur at various dates during the next 12 months. Gains and losses recognised in the hedging reserve in equity on forward foreign exchange contracts as of December 31, 2012 are recognised in the income statement in the period or periods during which the hedged forecast transaction affects the income statement. This is generally within 12 months of the end of the reporting period.

(b) Interest rate swaps

Interest rate swaps are concluded to cover cash-flows or fair value of its main borrowings.

The notional principal amounts of the outstanding interest rate swap contracts at December 31, 2012 were EUR 492.8 million (2012: EUR 141 million).

At December 31, 2013, the main floating rates are EURIBOR, NIBOR (Norway) and STIBOR (Sweden). Gains and losses recognised in the hedging reserve in equity on interest rate swap contracts as of December 31, 2013 will be continuously released to the income statement within finance charges until the repayment of the financial debt.

The unrealised gains/losses on financial instruments recognised in the income statement breaks down as follows:

(in EUR million)	As at December 31,	
	2013	2012 Restated
Trading derivatives	19.7	(9.6)
Imperfectness of derivatives at fair value hedges	0.1	(0.3)
Imperfectness of derivatives at cash flow hedges	0.1	(0.6)
Total Unrealised gains/losses on derivative financial instruments	19.9	(10.5)
Unrealised Foreign Exchange Gains or Losses	(24.5)	2.6
Total	(4.6)	(7.9)

NOTE 14. OTHER NON-CURRENT AND CURRENT FINANCIAL ASSETS

(in EUR million)	As at December 31,	
	2013	2012 Restated
Long-term investments (10 years)	1,103.6	1,159.1
Other current financial assets	212.8	162.5
Other	0.1	0.1
Total	1,316.5	1,321.7

Long-term investments are a resource resulting from the policy of the Group and of its shareholder, Société Générale, to monitor the Group's interest rate risk to and match assets and liabilities by maturity. Available equity is considered as a long term resource which needs to be matched with long-term assets (refer to Interest rate risks management in financial risk management section above). Equity reinvestments are made in long term amortizing deposits within Société Générale in order to remain with the interest rate sensitivity limit set for each entity (variation in the net present value of the future residual fixed rate positions, surplus or deficit, for a 1% parallel increase in the yield curve).

In jurisdictions, where feasible, the Group is also looking to implement equity replacement swaps rather than invest on long term amortising assets.

NOTE 15. INVENTORIES

(in EUR million)	As at December 31,	
	2013	2012 Restated
Inventories - gross value	145.1	141.0
Valuation allowance	(6.5)	(13.5)
Inventories net	138.6	127.5

Inventories are stated at the lower of cost or net realisable value.

NOTE 16. RECEIVABLES FROM CLIENTS AND FINANCIAL INSTITUTIONS

(in EUR million)	As at December 31,	
	2013	2012 Restated
Amounts receivable under finance lease contracts	335.5	327.8
Amounts receivable from credit institutions *	30.3	41.7
Trade receivables	573.7	561.5
Provision for impairment of trade receivables	(69.1)	(68.7)
Total receivables	870.4	862.3

(*) Mainly towards Societe Generale

The fair value of receivables is equivalent to the carrying value.

A full description of the impairment policy is contained in the Credit Risk Measurement section of the Financial Risk Factors.

The movement in provision for impairment of trade receivables is as follows:

(in EUR million)	Note	As at December 31,	
		2013	2012 Restated
Balance at January 1,		(68.7)	(70.5)
Net impairment charges	3	(20.6)	(23.9)
Receivables written off		19.6	26.0
Movement in Finance Lease Provision		(0.2)	0.3
Currency translation differences		0.8	(0.6)
Balance at December 31,		(69.1)	(68.7)

The maturity analysis is as follows:

(in EUR million)	As at December 31,	
	2013	2012 Restated
Trade receivables not overdue	392.4	349.9
Past due up to 90 days	124.2	158.6
Past due between 90 - 180 days	22.7	21.7
Past due over 180 days	34.4	31.2
Total	573.7	561.5

NOTE 17. OTHER RECEIVABLES AND PREPAYMENTS

(in EUR million)	As at December 31,	
	2013	2012 Restated
VAT and other taxes	147.6	163.5
Prepaid motor vehicle tax and insurance premiums	64.3	71.5
Reclaimable damages	6.8	8.2
Prepaid expenses	118.4	97.1
Other	81.3	96.3
Other receivables and prepayments	418.4	436.6

The majority of the other receivables and prepayments have a maturity of less than one year.

The Other receivables balance includes EUR 26.1 million (2012: EUR 32.7 million) relating to rebates receivable from dealers and manufacturers and EUR 20.5 million (2012: EUR 22.3 million) of fuel and other costs to be re-billed to customers.

NOTE 18. CASH AND CASH EQUIVALENTS

(in EUR million)	As at December 31,	
	2013	2012 Restated
Cash at bank and on hand	159.2	245.9
Short-term bank deposits	82.0	128.7
Cash and cash equivalents excl. bank overdrafts	241.2	374.6
Bank overdrafts	(85.4)	(56.1)
Cash and cash equivalents, net of bank overdrafts	155.8	318.5

The increase in cash balance in 2012 was exceptional and due to the sale of Lease Finanz at the end of 2012. The cash surplus has been used by the group since and the cash balance in 2013 corresponds to the usual levels. As ALD operates its own re-insurance program, the balance includes funds required for this business.

NOTE 19. FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

The company's financial assets and liabilities are categorized as follows:

Financial assets

As at December 31, 2013	Financial asset category					
	Loans and receivables	Assets at fair value through profit and loss	Available for sale	Total net book value per balance sheet	Fair value	Level *
Derivative financial instruments	-	62.7	-	62.7	62.7	Level 2
Receivables from clients and from financial institutions	870.4	-	-	870.4	870.4	Level 2
Other non current and current financial assets	-	1,316.5	-	1,316.5	1,316.5	Level 1 and level 2
Cash and cash equivalents	-	241.2	-	241.2	241.2	Level 1
Total	870.4	1,620.4	-	2,490.8	2,490.8	

(*) Refers to valuation method

As at December 31, 2012 (restated)	Financial asset category					
	Loans and receivables	Assets at fair value through profit and loss	Available for sale	Total net book value per balance sheet	Fair value	Level *
Derivative financial instruments	-	48.1	-	48.1	48.1	Level 2
Receivables from clients and from financial institutions	862.3	-	-	862.3	862.3	Level 2
Other non current and current financial assets	-	1,321.7	-	1,321.7	1,321.7	Level 1 and level 2
Cash and cash equivalents	-	374.6	-	374.6	374.6	Level 1
Total	862.3	1,744.4	-	2,606.7	2,606.7	

Financial liabilities

As at December 31, 2013	Financial asset category					
	Loans and receivables	Liabilities at fair value through profit and loss	Other financial liabilities at amortised cost	Total net book value per balance sheet	Fair value	Level
Bank borrowings	7,382.0	-	-	7,382.0	7,382.0	Level 2
Bonds issued	2,109.1	-	-	2,109.1	2,113.8	Level 2
Derivative financial instruments	-	70.1	-	70.1	70.1	Level 2
Trade payables	-	-	439.7	439.7	439.7	Level 2
Total	9,491.1	70.1	439.7	10,000.9	10,005.6	

As at December 31, 2012 (restated)	Financial asset category					
	Loans and receivables	Liabilities at fair value through profit and loss	Other financial liabilities at amortised cost	Total net book value per balance sheet	Fair value	Level
Bank borrowings	9,578.7	-	-	9,578.7	9,578.7	Level 2
Bonds issued	142.2	-	-	142.2	142.2	Level 2
Derivative financial instruments	-	82.6	-	82.6	82.6	Level 2
Trade payables	-	-	433.6	433.6	433.6	Level 2
Total	9,720.9	82.6	433.6	10,237.1	10,237.1	

There were no transfers between levels 1 and 2.

NOTE 20. SHARE CAPITAL AND SHARE PREMIUM

At December 31, 2013, the authorized capital amounted to EUR 550 million (2012: EUR 550 million), divided into 36,669,167 ordinary shares with a nominal value of EUR 15 each.

All shares issued by ALD International S.A. were fully paid.

The holders of the shares are entitled to receive dividend as declared from time to time and are entitled to vote per share at meetings of the Company.

NOTE 21. BORROWINGS FROM FINANCIAL INSTITUTIONS AND BONDS

(in EUR million)	As at December 31.	
	2013	2012 Restated
Bank borrowings	5,127.7	6,120.6
Non-current borrowings from financial institutions	5,127.7	6,120.6
Bank overdrafts	85.4	56.1
Bank borrowings	2,254.3	3,458.1
Current borrowings from financial institutions	2,339.7	3,514.2
Total borrowings from financial institutions	7,467.4	9,634.8
Bonds and notes-originated from securitisation transactions	635.6	-
Bonds and notes-originated from EMTN programme	1,020.0	-
Other non-current bonds issued	121.5	105.0
Non-current bonds and notes issued	1,777.1	105.0
Bonds and notes-originated from securitisation transactions	324.5	-
Bonds and notes-originated from EMTN programme	6.2	-
Other current bonds issued	1.3	37.2
Current bonds and notes issued	332.0	37.2
Total bonds and notes issued	2,109.1	142.2
Total borrowings from financial institutions and bonds	9,576.5	9,777.0

Maturity of the borrowings and the bonds

(in EUR million)	As at December 31.	
	2013	2012 Restated
Less than 1 year	2,671.7	3,551.5
1-5 years	6,130.2	5,946.3
Over 5 years	774.6	279.2
Total borrowings and bonds	9,576.5	9,777.0

Currencies

The carrying amounts of the Group's borrowings are denominated in the following currencies:

(in EUR million)	As at December 31.	
	2013	2012 Restated
Euro	7,286.1	7,472.1
UK pound	1,013.1	902.2
Danish Krone	278.1	310.4
Swedish Kronor	222.9	242.8
Other currencies	776.3	849.5
Total borrowings and bonds	9,576.5	9,777.0

External funding

Local external banks and third parties provide 26.7% of total funding, representing EUR 2,556.7 million at December 31, 2013 (6% and EUR 569 million at December 31, 2012).

An amount of EUR 570.4 million or 6.0 % of total funding is provided by external banks. The residual external funding (EUR 1,986.3 million) has been raised through asset-backed securitisations and unsecured bonds.

Asset-backed securitisation programme

During the year 2013, the Group has entered into asset-backed securitisation programmes in three European countries. These transactions involved the sale of future lease receivables and related residual value receivables to special purpose companies.

Debt securities were issued by those special purpose companies and sold to external investors for a total amount of GBP 300 million in the UK in March 2013 for a two-year revolving period, EUR 400 million in Germany in May 2013 for a one-year revolving period and EUR 200 million in the Netherlands in November 2013 for a one-year revolving period.

The funding raised through the securitisation has been used to repay existing loans which had the same amortisation profile as the senior notes.

Other securitisation programmes are currently on going in other Western European countries.

EMTN programme

The Group is engaged in a Euro Medium Term Notes (EMTN) programme through the Group holding company, ALD International. The EMTN programme limit is set at EUR 6 billion for the aggregate nominal amount of notes outstanding at any one time. An application has been filed with the Luxembourg Stock Exchange in order for the notes issued under the programme to be listed on the official list and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange. The programme is rated BBB by Standard & Poor's ratings services.

The first bond was issued within this programme in June 2013 for a total amount of EUR 500 million, at a fixed rate of 1.875% and maturing on June 13, 2016.

A second bond was issued in November 2013 for EUR 500 million at a fixed rate of 2.00% maturing in May 2017.

A schuldscheine has been issued in November 2013 for a total amount of EUR 20 million at a floating rate of 6 months Euribor + 130 bp, maturing on November 2017.

Societe Generale funding

The ALD Group was mainly funded through the Societe Generale Group (94% of funding) at December 31, 2012. The Group has started to raise external funds in 2013 through the asset-backed securitisation programme and the EMTN bonds programme described above.

Following the external funding raised in the first half of 2013, the funding raised through Société Générale has decreased from 94% to 73.3%.

Most of the funding provided by the Societe Generale group is granted through Societe Generale Bank and Trust (SGBT) based in Luxembourg. SGBT provides funds to the ALD Group Central Treasury which then grants loans in different currencies to 17 ALD subsidiaries as well as to the holding companies. The total amount of loans granted by SGBT amounted to EUR 5,674.1 million at December 31, 2013 (EUR 7,497 million at December 31, 2012) with an average maturity of 1.92 years and an average rate of 2.62% (1.97 years and 2.95% at December 31, 2012).

The remaining SG funding is provided either by local SG branches or Societe Generale Group Central Treasury in Paris, representing EUR 1,345.8 million at December 31, 2013 (EUR 1,711 million at December 31, 2012).

At December 31, 2013, the Group had drawn down EUR 2.4 billion under its borrowing facilities (EUR 1.4 billion at December 31, 2012).

A guarantee at first demand has been granted to an English Financial institution for an amount of GBP 172.5 million on behalf of ALD Automotive UK, under the conditions negotiated in the frame of the distribution agreement concluded with this financial institution

NOTE 22. RETIREMENT BENEFIT OBLIGATIONS

Defined contribution plans limit the ALD's liability to the contributions paid to the plan but do not commit ALD to a specific level of future benefits.

Defined contribution plans include state pension plans and other national pension plans such as ARRCO and AGIRC, as well as pension schemes put in place by some entities of ALD for which the only commitment is to pay annual contributions.

Reconciliation of assets and liabilities recorded in the balance sheet

The amount recognized in the balance sheet is determined as follows:

(In EUR million)	2013	2012 Restated (*)
A - Present value of funded defined benefit obligations	12.0	12.9
B - Fair value of plan assets	(8.9)	(7.7)
C = A + B Deficit (surplus)	3.1	5.2
D - Present value of unfunded defined benefit obligations	4.2	4.3
E - Change in asset ceiling	-	-
F - Separate assets	-	-
C + D - E - F = Net balance recorded in the balance sheet	7.3	9.5

(*) Restated amounts of financial statement communicated at December 31, 2012 according to the retrospective application of the IAS 19 amendments.

Notes:

1. Post-employment benefit plans include annuity payments, end-of-career indemnities as well as mixed plans (cash balance). Pension benefit annuities are paid additionally to state pension plans.
2. The present values of defined benefit obligations have been valued by independent qualified actuaries.

Components of the cost of the defined benefits

(In EUR million)	2013	2012 Restated (*)
Current service cost including social security contributions	0.5	0.2
Employee contributions	(0.2)	(0.2)
Past service cost / curtailments	-	-
Settlement	-	-
Net interest	0.2	0.2
Transfer from unrecognised assets	-	-
Components recognised in income statement	0.5	0.2
<i>Expected return on plan assets (**)</i>	<i>0.8</i>	<i>0.2</i>
<i>Actuarial gains and losses due to changes in demographic assumptions</i>	-	0.3
<i>Actuarial gains and losses due to changes in economical and financial assumptions</i>	(0.5)	2.7
<i>Actuarial gains and losses due to experience</i>	-	1.3
<i>Change in asset ceiling</i>	-	-
<i>Components recognised in unrealised or deferred gains and losses</i>	<i>(1.3)</i>	<i>4.1</i>
Total components of the cost of the defined benefits	(0.8)	4.3

(*) Restated amounts of financial statement communicated at December 31, 2012 according to the retrospective application of the IAS 19 amendments.

(**) Return on plan assets from which the expected return on plan assets included in the net interest cost is deducted

Changes in net liabilities of post-employment benefit plans recorded in the balance sheet

Changes in the present value of defined benefit obligations:

(In EUR million)	2013	2012 Restated (*)
Balance at January 1, 2013	17.2	12.8
Current service cost including social security contributions	0.5	0.2
Employee contributions	-	-
Past service cost / curtailments	-	-
Settlement	-	-
Net interest	0.5	0.5
Actuarial gains and losses due to changes in demographic assumptions	-	0.3
Actuarial gains and losses due to changes in economical and financial assumptions	(0.5)	2.7
Actuarial gains and losses due to experience		
Foreign exchange adjustment	(0.1)	-
Benefit payments	(1.4)	(0.5)
Acquisition/(Sale) of subsidiaries	-	-
Transfers and others	-	(0.1)
Balance at December 31, 2013	16.2	17.2

(*) Restated amounts of financial statement communicated at December 31, 2012 according to the retrospective application of the IAS 19 amendments.

Changes in fair value of plan assets and separate assets:

(In EUR million)	2013	2012 Restated (*)
Balance at January 1, 2013	7.7	6.9
Expected return on plan assets	0.3	0.3
Expected return on separate assets	-	-
Actuarial gains and losses due to assets	0.8	0.2
Foreign exchange adjustment	-	-
Employee contributions	0.2	0.2
Employer contributions to plan assets	0.9	0.8
Benefit payments	(1.0)	(0.7)
Acquisition/(Sale) of subsidiaries	-	-
Transfers and others	-	-
Balance at December 31, 2013	8.9	7.7

(*) Restated amounts of financial statement communicated at December 31, 2012 according to the retrospective application of the IAS 19 amendments.

Information regarding funding assets (for all benefits and future contribution)

The breakdown of the fair value of plan assets is as follows: 23% bonds, 33% equities, 11% money market instruments and 33% others.

Employer contributions to be paid to post-employment defined benefit plans for 2014 are estimated at EUR 1 million.

Actual returns on funding assets

The actual returns on plan and separate assets were:

(in EUR million)	Dec. 31, 2013	Dec 31, 2012 Restated (*)
Plan assets	1.1	0.5
Separate assets	-	-

(*) Restated amounts of financial statement communicated at December 31, 2012 according to the retrospective application of the IAS 19 amendments.

The assumptions on return on assets are presented in section below.

Main assumptions detailed by geographical area

The significant actuarial assumptions used to determine the pension benefit obligation amount are as follows:

	Dec. 31, 2013	Dec. 31, 2012 Restated (*)
Discount rate		
Europe	3.1%	2.9%
Long-term inflation		
Europe	1.9%	1.8%
Future salary increase		
Europe	1.8%	1.7%
Average remaining working lifetime of employees (in years)		
Europe	12.0	12.1
Duration (in years)		
Europe	14.1	13.6

(*) Restated amounts of financial statement communicated at December 31, 2012 according to the retrospective application of the IAS 19 amendments.

Notes:

1. The assumptions by geographical area are averages weighted by the present value of the liabilities (DBO).
2. The yield curves used to discount the liabilities are corporate AA yield curves (source: Merrill Lynch) observed in the end of October for GBP and EUR, and corrected at the end of December if the decrease in discount rates had a significant impact.

Inflation rates used are the long-term targets of the central banks of the monetary areas above.

3. The average remaining working lifetime of employees is calculated taking into account withdrawal assumptions.
4. The assumptions described above have been applied on post-employment benefit plans.

Obligations sensitivities to main assumptions ranges

(Percentage of item measured)	Dec. 31, 2013	Dec. 31, 2012 Restated (*)
Variation from +1% in discount rate		
Impact on Defined Benefit Obligations at December 31, N	-12.3	-12.6%
Variation of +1% in long term inflation		
Impact on Plan Assets at December 31, N	7.2%	7.5%
Variation of +1% in future salary increases		
Impact on the present value of defined benefit obligations at December 31, N	14.1%	14.0%

(*) Restated amounts of financial statement communicated at December 31, 2012 according to the retrospective application of the IAS 19 amendments.

Note:

The disclosed sensitivities are averages of the variations weighted by the present value of liabilities (impact on the defined benefit obligation at December 31, 2013).

Other long-term benefits

Some entities of ALD may award their employees other long-term benefits, like long-term deferred variable remunerations, time saving accounts (French Term) "Comptes Epargne Temps" or long service awards. They are different from post-employment benefits and termination benefits, which are not fully due within twelve months following the financial year during which the services are rendered by the employees.

The net balance of other long-term benefits is EUR 6.6 million.

The total amount of charges for other long-term benefits is EUR 0.6 million.

NOTE 23. PROVISIONS

(in EUR million)	Damage risk retention	Other	Total
As at January 1, 2012 (restated)	125.5	11.6	137.1
Additions	180.7	3.1	183.8
Reversal	(183.9)	(1.4)	(185.3)
Transfer total	-	-	-
Currency translation differences	-	(0.1)	(0.1)
As at December 31, 2012 (restated)	122.3	13.2	135.5
Of which current	9.5	13.2	22.6
As at January 1, 2013	122.4	13.2	135.5
Additions	169.7	4.1	173.8
Reversal	(147.8)	(1.7)	(149.5)
Transfer total	0.8	-	0.8
Currency translation differences	(0.2)	(0.3)	(0.5)
As at December 31, 2013	144.9	15.3	160.2
Of which current	79.7	13.2	92.9

Other provisions relate mainly to provisions made against disputed invoices. These are considered separately to impairment of receivables and do not represent a credit risk.

NOTE 24. TRADE AND OTHER PAYABLES

(in EUR million)	As at December 31,	
	2013	2012 Restated
Trade payables	439.7	433.6
Deferred leasing income	305.2	288.5
Other accruals and other deferred income	258.7	266.4
Advance lease instalments received	159.9	151.7
Accruals for contract settlements	56.9	44.0
VAT and other taxes	147.5	169.2
Other	1.2	3.0
Trade and other payables	1,369.1	1,356.6

Trade and other payables, includes an amount of EUR 305.2 million (2012: EUR 288.5 million) of deferred leasing income. Deferred leasing income relates to maintenance and tyre revenue which is profiled in line with historical maintenance expenditure in order to match revenue and costs. This policy is explained in the Financial Risk Management section of the Accounting Principles.

NOTE 25. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Sale of Lease Finanz

ALD Lease Finanz GmbH ("Lease Finanz") was created by a tax neutral spin-off from ALD AutoLeasing D GmbH as of January 1, 2005 to separate in Germany Consumer Finance activities and Leasing activities. Lease Finanz and its subsidiaries are specialized in consumer finance activities whereas ALD AutoLeasing D GmbH and its subsidiaries do operating leasing and fleet management activities; Lease Finanz and its subsidiaries were analyzed as a component of the Group that has been disposed in November 2012 of and that represents a separate major line of business as a consequence of its business and size.

As a consequence, Lease Finanz operations were analysed as discontinued operations in the six months period ended June 30, 2012 and were presented in a separate line of the income statement.

The assets and liabilities related to Lease Finanz and its subsidiaries have been presented as held for sale at June 30, 2012. At this date, the Group had the intention and ability to sell Lease Finanz in its present condition, and the sale was highly probable.

In November 2012, Lease Finanz shares were sold to SGCF SA, a French subsidiary of the Société Générale group, outside of ALD International scope of consolidation. An agreement was found on the contractual terms of the transaction, including price, conditions and timing.

Assets and liabilities of disposal group classified as held for sale at December 31, 2011

(in EUR million)	Jan. 1, 2012 Restated
Other property and equipment	377.9
Intangible assets	4.2
Inventories	5.7
Customer loans - consumer finance activities	2,072.5
Corporate income tax receivable	0.3
Other receivables and prepayments	17.9
Other non-current and current financial assets	411.0
Derivatives financial instruments	15.0
Cash and cash equivalents	0.1
Total assets	2,904.6
Borrowings - Consumer finance activities	2,372.1
Deferred tax liabilities	46.1
Retirement benefit obligations	3.8
Trade and other payables	105.6
Corporate income tax liabilities	2.8
Provisions	-
Total liabilities (*)	2,530.4

(*) Excluding Equity

Analysis of the result of discontinued operations, and the result recognized on the measurement of disposal group is as follows:

(in EUR million)	Dec. 31, 2012 Restated	Jan. 1, 2012 Restated
Revenue	297.9	294.7
Expense	(250.3)	(240.6)
Profit before tax of discontinued operations	47.6	53.9
Tax	(17.8)	(2.9)
Profit after tax of Lease Finanz	29.8	51.0
Gain/losses recognised on the disposal of Lease Finanz	(1.3)	-
Profit after tax of discontinued operations	28.5	51.0

NOTE 26. DIVIDENDS PER SHARE

No dividend has been paid in 2013.

NOTE 27. COMMITMENTS

Operating lease commitments - group company as lessee

The Group leases various retail outlets, offices and warehouses under non-cancellable operating lease agreements. The lease terms are between 5 and 10 years, and the majority of lease agreements are renewable at the end of the lease period at market rate.

The Group also leases various plant and machinery under cancellable operating lease agreements.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

(in EUR million)	As at Dec. 31, 2013	As at Dec. 31, 2012
No later than 1 year	9.0	8.5
Later than 1 year and no later than 5 years	31.3	31.8
Later than 5 years	30.6	52.7
Total	70.9	93.0

NOTE 28. RELATED PARTIES

Identity of related parties

The Group is controlled by Société Générale Group. Transactions with Société Générale and its subsidiaries have been identified as related party transactions. All business relations with Société Générale Group are handled at normal market conditions.

In addition, one member of ALD International board of Directors is also Deputy Chairman of Kjaer Group, a Danish company specialized in import, distribution and servicing of vehicles. Business relations of Kjaer Group with ALD Group are however immaterial (ALD leases 4 vehicles to KJAER Group).

Key management compensation

Key management includes members of the Executive Committee of ALD Group. The Executive Committee is composed of executive managers of ALD International and Société Générale as well as regional supervisors of the most important subsidiaries.

The compensation paid or payable to key management for employee services is shown below:

(in EUR million)	Year ended December 31,	
	2013	2012 Restated
Salaries and other short term employment benefits	4.1	3.8
Post employment benefits	0.2	0.1
Other long term benefits	0.6	0.5
Total	4.9	4.4

The supervisory board is composed exclusively of employees of ALD International or Société Générale. There is no fee or compensation for the board members as they already receive compensation as such by either ALD International or its shareholder. The Group has not granted any loans, guarantees or advances to the board members.

Sales of goods and services

Societe Generale ("SG") and its subsidiaries are customers of ALD Group. Total fleet leased to SG and its subsidiaries amounts to 6,582 cars in 29 countries. Rentals have been priced at normal market conditions. More than 50% of the total fleet leased to SG Group is leased by ALD France. Rental paid by SG Group to ALD France accounts for EUR 14.6 million and EUR 14.8 million in the years ended December 31, 2013 and December 31, 2012, respectively.

Purchases of goods and services

Information Technology ("IT") Services

ALD Group has a contract with SG Global Services centre (India), with which ALD subcontracted IT services including development, maintenance and support of international applications. The main advantage is to facilitate the roll out of common tools to all subsidiaries while ALD IT teams at a Group level still keep the knowledge of each project, train users and follow up the set up, usage and evolution locally. ALD has also subcontracted some technical infrastructure services to SG, mainly in France. Overall amount of IT services subcontracted to SG and its subsidiaries amounts to EUR 14.32 million in fiscal year 2013 (2012: EUR 13.5 million).

Premises

Some Group entities share premises with SG or with SG business divisions in some countries (mainly ALD International and ALD France which represent more than 70% of the total rentals paid to SG). Rentals have been priced at arm's length and amounted to EUR 1.9 million in fiscal year 2013 (2012: EUR 1.9 million) for ALD France and ALD International.

Brokerage

Societe Generale retail banking network sells long term rental contracts to customers on behalf of ALD International against a commission for each contract sourced. In year 2013, more than 12,300 contracts have been signed through Société Générale distribution network in 9 different countries (approximately 5% of the overall volume of new contracts). 87% of the contracts originated through this channel come from the French banking networks of SG Group. The commission paid to SG by ALD France represented EUR 2.5 million for the year ended December 31, 2013 and (2012: EUR 2.2 million).

Third Party Liabilities (TPL) Insurance policy

ALD Italy has subscribed a TPL insurance policy for part of their fleet through Sogessur, the Car insurance company of Société Générale Group. Sogessur acts as a frontier and is reinsured through ALD Re, the reinsurance company of ALD Group. Insurance premiums have been fixed at arm's length. The overall amount of insurance premium paid by ALD Italy to Sogessur amount EUR 75.92 million in fiscal year 2013 (2012: EUR 13.2 million).

Corporate services

Societe Generale Group, as shareholder, provides ALD Group with the following intercompany Corporate services:

- Performing periodical audits in order to verify the effectiveness of governance, risk management, and permanent control;
- Supervising the Human Resources departments of the subsidiaries.

These Corporate services provided by Societe Generale have been subject to compensation of EUR 11.8 million in fiscal year 2013 and (2012: EUR 9.9 million).

NB: in addition, in fiscal year 2013, there were 28 employees coming from SG (26 in 2012) with a temporary detachment contract in ALD Group with duration of 3 to 5 years; they are part of the local management teams and most of them are included in ALD payroll during the detachment period and are therefore not re-billed to SG. Only the employees based in ALD France and ALD International are still paid by SG and re-billed to ALD; the amount re-billed by SG was EUR 2.4 million in 2012 and EUR 3.5 million in 2013.

Loans with related parties

Société Générale and its affiliates provide ALD Group with funding either through ALD Treasury centre or directly to ALD subsidiaries at a market rate. 73.3% of the Group's funding were provided through SG in fiscal years 2013, EUR 7,019.9 million in 2013.

Société Générale provides also bank guarantees on behalf of ALD and its subsidiaries in case of external funding. Overall guarantees released by SG Group amounted up to EUR 551 million as of December 31, 2013 and (2012: EUR 496 million).

Société Générale provides also ALD Group with all the derivatives instruments, for a total amount of EUR 62.3 million in assets and EUR 69.7 million in liabilities.

Tax consolidation agreement

In the 1989 financial year, Societe Générale opted to apply a tax consolidation regime. At December 31, 2013, ALD International SA, Temsys (France), ALD Automotive A/S (Denmark) and Denmark NF Fleet had signed a tax consolidation agreement with SG Group, under which they are required to record in their accounts the tax expense they would have paid if they had not been consolidated with Societe Generale for tax purposes.

NOTE 29. EVENTS AFTER THE REPORTING PERIOD

At the beginning of 2014, a subsidiary of ALD International has been created in Bulgaria, held at 51% by ALD International GmbH and 49% by SG Express Bank, Societe Generale retail bank in Bulgaria.

NOTE 30. SCOPE OF CONSOLIDATION

(in %)	As at December 31,	
	2013	2012 Restated
ALD international SA	Parent company	Parent company
Consolidated companies under global integration	interest %	interest %
ALD Autoleasing D GmbH (*)	100.00	100.00
ALD Automotive - Russia	100.00	100.00
ALD Automotive A/S - Denmark	100.00	100.00
ALD Automotive AB - SWEDEN	100.00	100.00
ALD Automotive AG - Switzerland	100.00	99.95
ALD Automotive AS - NORWAY	100.00	100.00
ALD Automotive D.O.O. Beograd - SERBIA	100.00	100.00
ALD Automotive Drustvo s Ogranicenom Odgovornoscu za Operativni - Croatia (*)	100.00	100.00
ALD Automotive for Cars Rental and Fleet Management S.A.E. - EGYPT	100.00	87.50
ALD Automotive Fuhrparkmanagement und Leasing GmbH - Austria	100.00	100.00
ALD Automotive Group PLC - UK (*)	100.00	100.00
ALD Automotive LTDA - BRAZIL	100.00	100.00
ALD Automotive Magyarorszag KFT - HUNGARY	100.00	100.00
ALD Automotive Operational Leasing DOO - SLOVENIA	100.00	100.00
ALD Automotive Polska Spolka z Organiczona Odpowiedzialnoscia - POLAND	100.00	100.00
ALD Automotive Private Limited - INDIA	100.00	100.00
ALD Automotive Russia Sas	100.00	100.00
ALD Automotive S.A. de C.V. - MEXICO	100.00	100.00
ALD Automotive S.A. Lease of Cars - GREECE	100.00	99.75
ALD Automotive SA - SPAIN	100.00	67.40
ALD Automotive SRO - Czech Republic	100.00	100.00
ALD Automotive Turizm Ticaret Anonim Sirketi - TURKEY	100.00	100.00
ALD Fleet (SOFOM)	100.00	-
ALD International Participations SAS	100.00	100.00
ALD International SAS & CO KG (*)	100.00	100.00
ALD RE Limited - IRELAND	100.00	100.00
Axus Finland OY	100.00	100.00
Axus Italiana Sarl	100.00	100.00
Axus Luxembourg SA	100.00	100.00
Axus Nederland BV	100.00	100.00
AXUS SA NV - BELGIUM	100.00	100.00
First lease Ltd - UKRAINE	100.00	100.00
SG ALD Automotive Portugal Sociedade Geral de Comercio e Aluguer de Benz sa	100.00	100.00
TEMSYS - France (*)	100.00	100.00
ALD Automotive Algeria SPA	99.99	99.99
ALD Automotive SRL - ROMANIA	80.00	80.00
Denmark NF fleet	80.00	80.00
Finland NF fleet	80.00	80.00
NF fleet AB - SWEDEN	80.00	80.00
Norway NF Fleet	80.00	80.00
ALD Automotive Eesti AS - Estonia	75.00	75.00
ALD Autmotive SIA - LATVIA	75.00	75.00
UAB ALD Automotive - Lithuania	75.00	75.00
ALD Fortune Auto Leasing and Renting Co. Ltd - China	50.00	50.00
First Lease BV - Germany	-	100.00
Consolidated companies under equity method		
ALD Automotive SA Morocco	35.00	35.00
Nedderfeld 95 Immobilien Gmbh & Co. KG	35.00	35.00

(*) Including subsidiaries

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1/2, place des Saisons
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92524 Neuilly-sur-Seine Cedex
S.A. au capital de €1.723.040

ALD International

Société Anonyme
15, allées de l'Europe
92588 Clichy Cedex

Rapport des Commissaires aux Comptes sur les comptes consolidés

Exercice clos le 31 décembre 2013

Aux Actionnaires,

En exécution de la mission qui nous a été confiée par votre assemblée générale, nous vous présentons notre rapport relatif à l'exercice clos le 31 décembre 2013, sur :

- le contrôle des comptes consolidés de la société ALD International, tels qu'ils sont joints au présent rapport ;
- la justification de nos appréciations ;
- la vérification spécifique prévue par la loi.

Les comptes consolidés ont été arrêtés par le conseil d'administration. Il nous appartient, sur la base de notre audit, d'exprimer une opinion sur ces comptes.

I. Opinion sur les comptes consolidés

Nous avons effectué notre audit selon les normes d'exercice professionnel applicables en France ; ces normes requièrent la mise en œuvre de diligences permettant d'obtenir l'assurance raisonnable que les comptes consolidés ne comportent pas d'anomalies significatives. Un audit consiste à vérifier, par sondages ou au moyen d'autres méthodes de sélection, les éléments justifiant des montants et informations figurant dans les comptes consolidés. Il consiste également à apprécier les principes comptables suivis, les estimations significatives retenues et la présentation d'ensemble des comptes. Nous estimons que les éléments que nous avons collectés sont suffisants et appropriés pour fonder notre opinion.

Nous certifions que les comptes consolidés de l'exercice sont, au regard du référentiel IFRS tel qu'adopté dans l'Union européenne, réguliers et sincères et donnent une image fidèle du patrimoine, de la situation financière, ainsi que du résultat de l'ensemble constitué par les personnes et entités comprises dans la consolidation.

Sans remettre en cause l'opinion exprimée ci-dessus, nous attirons votre attention sur la note « 2.2. Changements de méthodes comptables et d'informations à présenter » de l'annexe qui expose les effets de la première application des amendements à IAS 19 « Avantages du personnel ».

II. Justification des appréciations

En application des dispositions de l'article L. 823-9 du Code de commerce relatives à la justification de nos appréciations, nous vous informons que les appréciations auxquelles nous avons procédé ont porté sur le caractère approprié des principes comptables appliqués et le cas échéant sur le caractère raisonnable des estimations significatives retenues et sur la présentation d'ensemble des comptes.

Les appréciations ainsi portées s'inscrivent dans le cadre de notre démarche d'audit des comptes consolidés, pris dans leur ensemble, et ont donc contribué à la formation de notre opinion exprimée dans la première partie de ce rapport.

III. Vérification spécifique

Nous avons également procédé, conformément aux normes d'exercice professionnel applicables en France, à la vérification spécifique prévue par la loi des informations données dans le rapport sur la gestion du groupe.

Nous n'avons pas d'observation à formuler sur leur sincérité et leur concordance avec les comptes consolidés.

Neuilly-sur-Seine et Paris-La Défense, le 18 avril 2014

Les Commissaires aux Comptes

ERNST & YOUNG et Autres

DELOITTE & ASSOCIES



Vincent ROTY



Jean-Marc MICKELER

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S.A. au capital de €1.723.040

ALD International

15, allées de l'Europe
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STATUTORY AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31st December 2013

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the year ended 31st December 2013, on:

- the audit of the accompanying consolidated financial statements of ALD International Company;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

1. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial

statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31st December 2013 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to the matter set out in Note “2.2 Changes in accounting policies and disclosures” in the appendices which describes the impacts of the first application of the amendments to IAS 19 “Employee Benefits”.

2. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code to the justification of our assessments, we bring to your attention that these assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3. Specific verification

As required by law, we have also verified in accordance with professional standards applicable in France the information presented in the Group’s management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, the 18th april 2014

The Statutory Auditors

Deloitte & Associés

Ernst & Young et Autres

Jean-Marc MICKELER

Vincent ROTY



ALD INTERNATIONAL
TOURS SOCIETE GENERALE
17. COURS VALMY
92987 LA DEFENSE
FRANCE

LET'S DRIVE TOGETHER

