IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QUALIFIED INSTITUTIONAL BUYERS WITHIN THE MEANING OF RULE 144A ("RULE 144A") UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR (2) OUTSIDE THE UNITED STATES (AND, IF INVESTORS ARE RESIDENT IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA, A QUALIFIED INVESTOR).

IMPORTANT: You must read the following before continuing. The following applies to the preliminary offering memorandum (the "Preliminary Offering Memorandum") following this notice, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Preliminary Offering Memorandum. In accessing the Preliminary Offering Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

The Preliminary Offering Memorandum has been prepared in connection with the proposed offer and sale of the securities described herein. The Preliminary Offering Memorandum and its contents are confidential and should not be distributed, published, reproduced (in whole or in part) or disclosed by recipients to any other person.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING PRELIMINARY OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY OFFERING MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE U.S. SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED HEREIN.

Confirmation of your representation: In order to be eligible to view the Preliminary Offering Memorandum or make an investment decision with respect to the securities described herein, investors must be either (1) qualified institutional buyers within the meaning of Rule 144A under the U.S. Securities Act ("QIBs") or (2) outside the United States; *provided* that investors resident in a Member State of the European Economic Area must be a qualified investor (within the meaning of Article 2(1)(e) of Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU, to the extent implemented in the relevant Member State) and any relevant implementing measure in each Member State of the European Economic Area). The Preliminary Offering Memorandum is being sent at your request. By accepting the e-mail and accessing the Preliminary Offering Memorandum, you shall be deemed to have represented to us that:

(1) you consent to delivery of such Preliminary Offering Memorandum by electronic transmission, and

(2) either you and any customers you represent are:

    (a) QIBs; or

    (b) outside the United States and the e-mail address that you gave us and to which the e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any State of the United States or the District of Columbia (and if you are resident in a Member State of the European Economic Area, you are a qualified investor).

Prospective purchasers that are QIBs are hereby notified that the seller of the securities will be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act pursuant to Rule 144A under the U.S. Securities Act.

You are reminded that the Preliminary Offering Memorandum has been delivered to you on the basis that you are a person into whose possession the Preliminary Offering Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver the Preliminary Offering Memorandum to any other person.

The materials relating to this Offering (as defined below) do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that this Offering be made by a licensed broker or dealer and the initial purchasers or any affiliate of the initial purchasers is a licensed broker or dealer in that jurisdiction, this Offering shall be deemed to be made by the initial purchasers or such affiliate on behalf of us in such jurisdiction.

Under no circumstances shall the Preliminary Offering Memorandum constitute an offer to sell or the solicitation of an offer to buy nor there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

This Preliminary Offering Memorandum has not been approved by an authorized person in the United Kingdom and is for distribution only to, and is only directed at, persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom or (iv) are persons to whom an invitation or inducement to engage in investment activity within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA") in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This Preliminary Offering Memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Preliminary Offering Memorandum relates is available only to relevant persons and will be engaged in only with relevant persons.

No person may communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of the securities other than in circumstances in which Section 21(1) of the FSMA does not apply to us.

The Preliminary Offering Memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the initial purchasers, or any person who controls any initial purchaser, or any of their respective directors, officers, employees or agents accepts any liability or responsibility whatsoever in respect of any difference between the Preliminary Offering Memorandum distributed to you in electronic format and the hard copy version available to you from the initial purchasers upon your request.

SUBJECT TO COMPLETION, DATED JANUARY 17, 2014

Preliminary offering memorandum
Strictly confidential

Not for general distribution in the United States

The information in this preliminary offering memorandum is not complete and may be changed. The Issuer may not sell these securities until the offering memorandum is delivered in final form. This preliminary offering memorandum is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

autodistribution
LE SPÉCIALISTE DE LA PIÈCE AUTO ET POIDS LOURDS

Autodis S.A.

€240,000,000 % Senior Secured Notes due 2019

Autodis S.A., a *société anonyme* organized and existing under the laws of France (the "Issuer"), is offering (the "Offering") €240.0 million aggregate principal amount of its % senior secured notes due 2019 (the "Notes").

The Notes will mature on , 2019. The Issuer will pay interest on the Notes semi-annually in arrears on and , commencing , 2014. Prior to , 2016, the Issuer will be entitled, at its option, to redeem all or a portion of the Notes by paying a "make-whole" premium. At any time on or after , 2016, the Issuer may redeem all or part of the Notes at the redemption prices set forth in this preliminary offering memorandum (the "Offering Memorandum"). In addition, prior to , 2016, the Issuer may redeem, at its option, up to 40% of the Notes with the net cash proceeds from certain equity offerings. Prior to , 2017, the Issuer may redeem up to 10% of the aggregate principal amount of the Notes originally issued in each calendar year commencing on the Issue Date at a redemption price equal to 103% of the principal amount thereof. Upon certain events defined as constituting a change of control or upon certain asset sales, the Issuer may be required to make an offer to purchase the Notes. However, a change of control will not be deemed to have occurred if specified consolidated leverage ratios are not exceeded in connection with such event. In the event of certain developments affecting taxation, the Issuer may elect to redeem all, but not less than all, of the Notes. A portion of the proceeds of this Offering may be used for the contemplated acquisition of ACR Holding S.A.S ("ACR").

The Notes will be senior secured obligations of the Issuer, will rank senior in right of payment to all of the Issuer's future debt that is expressly subordinated in right of payment to the Notes and will rank *pari passu* in right of payment with the Issuer's existing and future debt that is not so subordinated, including the Issuer's obligations under the Revolving Credit Facility (as defined herein) and certain hedging obligations. On the Issue Date, the Notes will be guaranteed on a senior secured basis (the "Parent Guarantee") by the Issuer's direct parent company, Parts Holdings (France) S.A.S., a *société par actions simplifée* organized and existing under the laws of France (the "Parent Guarantor"). No later than the date falling 60 days after the Issue Date (such date, the "Additional Guarantor Accession Date"), the Notes will be guaranteed (the "Subsidiary Guarantee" and together with the Parent Guarantee, the "Guarantees") on a senior secured basis by Autodistribution S.A., a *société anonyme* organized and existing under the laws of France ("Autodistribution S.A."). The Guarantees will rank senior in right of payment to the respective Guarantor's future debt that is expressly subordinated in right of payment to such Guarantee and will rank *pari passu* in right of payment with the respective Guarantor's existing and future debt that is not so subordinated, including such Guarantor's obligations under the Revolving Credit Facility.

On the Issue Date, the Notes will be secured by (i) a first-priority pledge of the capital stock of Parts Holdings B.V., the indirect parent company of the Issuer ("DutchCo"), (ii) a first-priority pledge of the capital stock, bank accounts and intragroup receivables of the Parent Guarantor, (iii) a first-priority pledge of the capital stock of the Issuer and (iv) first-priority security interests over substantially all of the assets of the Issuer, including a first-priority pledge of the capital stock of Autodistribution S.A., Magenta Auto Pièces S.A. and SDFM S.A. held by the Issuer, a first-priority pledge over its bank accounts and a first-priority pledge over its intragroup receivables (collectively, the "Issue Date Collateral"). On the Additional Guarantor Accession Date, the Notes will be secured by a first-priority pledge of (i) the capital stock of Commerce Rechange Automobiles S.A.S., Cofirhad S.A.S., Groupement Autodistribution Centre Auvergne "GADCA" S.A.S. and AD Grand Ouest S.A.S. held by Autodistribution S.A., (ii) Autodistribution S.A.'s material bank accounts and (iii) Autodistribution S.A.'s intragroup receivables (collectively, the "Post-Issue Date Collateral"). In addition, if the Contemplated ACR Acquisition (as defined below) is completed, then no later than 90 days following the Completion Date (as defined below), the Notes will be secured by a first-priority pledge of the issued capital stock of ACR (the "Post-Completion Date Collateral" and together with the Issue Date Collateral and the Post-Issue Date Collateral, the "Collateral"). The Revolving Credit Facility and certain hedging obligations (the "Super Senior Obligations") will be secured by first-priority security interests over, among others, the Collateral, ranking *pari passu* with the security interests securing the Notes. Under the terms of the Intercreditor Agreement (as defined herein), in the event of enforcement of the security interests, holders of Notes will receive proceeds from the Collateral only after the Super Senior Obligations have been repaid. The validity and enforceability of the Parent Guarantee and the security interests and the liability of the Parent Guarantor will be subject to the limitations described in "*Limitations on validity and enforceability of the Guarantees and the security interests.*" The Notes will be structurally subordinated to all obligations of the Issuer's subsidiaries that do not guarantee the Notes and effectively subordinated to any existing and future debt of the Issuer and its subsidiaries, including the Super Senior Obligations, that is secured by property or assets that do not secure the Notes, to the extent of the value of the property and assets securing such debt. The Revolving Credit Facility will be guaranteed by, and will be secured by certain assets of, certain subsidiaries of the Issuer that do not guarantee or provide security in favor of the Notes.

Pending the potential completion of the contemplated acquisition of ACR by Autodistribution S.A. (the "Contemplated ACR Acquisition"), the Issuer will direct the Initial Purchasers to deposit €40.0 million of the proceeds of this Offering into an escrow account. The escrow account will be controlled by the Escrow Agent and pledged on a first-ranking basis in favor of the Trustee on behalf of the holders of the Notes. The release of the escrowed proceeds will be subject to the satisfaction of certain conditions. The escrow agreement will provide that the escrowed proceeds of this Offering will be released upon the completion of the Contemplated ACR Acquisition to the extent such amounts are used to fund such acquisition. If the Contemplated ACR Acquisition is not completed on or prior to May 31, 2014, if the Contemplated ACR Acquisition is not financed by the proceeds of the Offering placed into escrow or if certain other events occur, then €40.0 million in aggregate principal amount of the Notes will be required to be redeemed pursuant to a special mandatory redemption at a price equal to 100% of the aggregate issue price of such Notes, plus accrued and unpaid interest and additional amounts, if any, from the Issue Date (as defined below) of the Notes to the date of the special mandatory redemption. See "*Description of the Senior Secured Notes—Escrow of proceeds; Special Mandatory Redemption.*"

Each series of Notes will be represented on issuance by one or more Global Notes (as defined herein), which we expect will be delivered in book-entry form through Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking, *société anonyme* ("Clearstream") on or about , 2014 (the "Issue Date"). Interests in each Global Note will be exchangeable for the relevant definitive notes only in certain limited circumstances. See "*Book-entry, delivery and form.*"

Currently, there is no public market for the Notes. Application will be made to list the Notes on the Official List of the Irish Stock Exchange and for the Notes to be admitted to trading on the Global Exchange Market thereof. No certainty can be given that this application will be granted, and we cannot assure you that an active trading market for the Notes will develop.

INVESTING IN THE NOTES INVOLVES A HIGH DEGREE OF RISK. SEE "RISK FACTORS" BEGINNING ON PAGE 28 FOR A DISCUSSION OF CERTAIN RISKS THAT YOU SHOULD CONSIDER BEFORE INVESTING IN THE NOTES.

Issue price of the Notes: %, plus accrued interest, if any, from the Issue Date

The Notes and the Guarantees have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended ("U.S. Securities Act"), or the securities laws of any other jurisdiction. The Notes and the Guarantees are being offered and sold in the United States only to qualified institutional buyers in reliance on Rule 144A ("Rule 144A") under the U.S. Securities Act and outside the United States in reliance on Regulation S under the U.S. Securities Act ("Regulation S") and, if investors are residents of a member state of the European Economic Area, only to qualified investors. Prospective purchasers that are qualified institutional buyers are hereby notified that the seller of the Notes may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. For further details about eligible offerees and resale restrictions, see "*Transfer restrictions*."

Sole Bookrunning Manager

J.P. Morgan

Co-Manager

Oddo & Cie

The date of this Offering Memorandum is , 2014.

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In making an investment decision, you should rely only on the information contained in this Offering Memorandum. Neither the Issuer nor any of the Initial Purchasers has authorized anyone to provide you with information that is different from the information contained herein. If given, any such information should not be relied upon. Neither the Issuer nor any of the Initial Purchasers is making an offer of the Notes in any jurisdiction where this Offering is not permitted. You should not assume that the information contained in this Offering Memorandum is accurate as of any date other than the date on the front cover of this Offering Memorandum.

Important information about this Offering Memorandum

This Offering Memorandum has been prepared by the Issuer solely for use in connection with the proposed offering of the Notes. This Offering Memorandum may not be distributed to any person other than prospective investors and any person retained to advise such prospective investors with respect to the purchase of the Notes, and any disclosure of the contents of this Offering Memorandum without our prior written consent is prohibited. By accepting delivery of this Offering Memorandum, you agree to the foregoing and you agree to not make copies of this Offering Memorandum or any documents referred to in this Offering Memorandum.

The Issuer, having made all reasonable enquiries, confirms that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), this Offering Memorandum contains all information that is material in the context of the issuance and offering of the Notes and the Guarantees, that the information contained in this Offering Memorandum is true and accurate in all material respects and is not misleading in any material respect and that there are no other facts the omission of which would make this Offering Memorandum or any such information misleading in any material respect. The information contained in this Offering Memorandum is as of the date hereof. The Issuer accordingly accepts responsibility for the information contained in this Offering Memorandum.

The Issuer is offering the Notes in reliance on an exemption from registration under the U.S. Securities Act for an offer and sale of securities that does not involve a public offering. If you purchase the Notes, you will be deemed to have made certain acknowledgments, representations and warranties as detailed under this section. You may be required to bear the financial risk of an investment in the Notes for an indefinite period.

The information contained in "*Exchange rate information*," "*Summary*," "*Management's discussion and analysis of financial condition and results of operations*," "*Industry*" and "*Business*" includes extracts from information and data, including industry and market data and estimates, released by publicly available resources in Europe and elsewhere. Although the Issuer accepts responsibility for the accurate extraction and summarization of such information and data, the Issuer has not independently verified the accuracy of such information and data and it accepts no further responsibility in respect of such information and data. In addition, the information set forth in relation to sections of this Offering Memorandum describing clearing arrangements, including under "*Description of the Senior Secured Notes*" and "*Book-entry, delivery and form*," is subject to any change in, or reinterpretation of, the rules, regulations and procedures of Euroclear and Clearstream currently in effect. While the Issuer accepts responsibility for accurately summarizing the information concerning Euroclear and Clearstream as of the date on the front cover of this Offering Memorandum, it accepts no further responsibility in respect of such information.

The Issuer reserves the right to withdraw this Offering at any time. The Issuer is making this Offering subject to the terms described in this Offering Memorandum and the purchase agreement (the "Purchase Agreement") relating to the Notes entered into between the Issuer and the Initial Purchasers, as defined below. The Issuer and the Initial Purchasers may reject any offer to purchase the Notes in whole or in part, sell less than the entire principal amount of the Notes offered hereby or allocate to any purchaser less than all the Notes for which it has subscribed.

J.P. Morgan Securities plc and Oddo & Cie (collectively, the "Initial Purchasers"), and the Trustee, the Security Agent, the Transfer Agent, the Escrow Agent and the Paying Agent (each as defined herein) make no representation or warranty, express or implied, as to, and assume no responsibility for, the accuracy or completeness of the information contained in this Offering Memorandum. Nothing contained in this Offering Memorandum is, or shall be relied upon as, a promise or representation by the Initial Purchasers, the Trustee, the Security Agent, the Transfer Agent, the Escrow Agent or the Paying Agent as to the past or the future.

The Initial Purchasers will provide you with a copy of this Offering Memorandum and any related amendments or supplements. By receiving this Offering Memorandum, you acknowledge that you have had an opportunity to ask questions of us, and that you have received all answers you deem necessary to verify the accuracy and completeness of the information contained in this Offering Memorandum. You also acknowledge that you have not relied on the Initial Purchasers in connection with your investigation of the accuracy of this information or your decision whether to invest in the Notes.

Investing in the Notes involves substantial risks. See "*Risk factors*."

In making an investment decision, you must rely solely on the information contained in this Offering Memorandum and your own examination of us and the terms of this Offering of the Notes, including the merits and risks involved. In addition, none of us, the Initial Purchasers, the Trustee, the Security Agent, the Transfer Agent, the Escrow Agent or the Paying Agent, or any of their respective representatives, are making any representation to you regarding the legality of an investment in the Notes, and you should not construe anything in this Offering Memorandum as legal, business or tax advice. You should consult your own advisors as to legal, tax, business, financial and related aspects of an investment in the Notes. You must comply with all laws applicable in any jurisdiction in which you buy, offer or sell the Notes or possess or distribute this Offering Memorandum, and you must obtain all applicable consents and approvals; none of us, the Initial Purchasers, the Trustee, the Security Agent, the Transfer Agent, the Escrow Agent or the Paying Agent shall have any responsibility for any of the foregoing legal requirements. The distribution of this Offering Memorandum and the offering and sale of the Notes in certain jurisdictions may be restricted by law. See "*Transfer restrictions*."

The Notes will be available in book-entry form only. We expect that the Notes sold pursuant to this Offering Memorandum will be issued in the form of one or more Global Notes (as defined below). The Global Notes will be deposited and registered in the name of a common depositary for Euroclear and Clearstream. Transfers of interests in the Global Notes will be effected through records maintained by Euroclear and Clearstream, respectively, and their respective participants. The Notes will not be issued in definitive registered form except under certain limited circumstances described in "*Book-entry, delivery and form*."

Application will be made to list the Notes on the Official List of the Irish Stock Exchange and to admit them for trading on its Global Exchange Market. In the course of any review by the competent authority, we may be requested to make changes to the financial and other information included in this Offering Memorandum in producing listing particulars for such listing. Comments by the competent authority may require significant modification or reformulation of information contained in this Offering Memorandum or may require the inclusion of additional information. We may also be required to update the information in this Offering Memorandum to reflect changes in our business, financial condition or results of operations and prospects. There can be no assurance that the Notes will be listed on the Official List of the Irish Stock Exchange and admitted for trading on the Global Exchange Market thereof, and settlement of the Notes is not conditioned on obtaining this listing.

Stabilization

IN CONNECTION WITH THIS OFFERING, J.P. MORGAN SECURITIES PLC (THE "STABILIZING MANAGER"), OR PERSONS ACTING ON ITS BEHALF, MAY OVER-ALLOT THE NOTES OR EFFECT TRANSACTIONS, FOR A LIMITED PERIOD AFTER THE ISSUE DATE, WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILIZING MANAGER OR PERSONS ACTING ON ITS BEHALF WILL UNDERTAKE ANY SUCH STABILIZING ACTION. ANY SUCH STABILIZING ACTION, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT MUST END NO LATER THAN THE EARLIER OF 30 CALENDAR DAYS AFTER THE ISSUE DATE AND 60 CALENDAR DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES.

Notice to investors in the United States

This Offering is being made in the United States in reliance upon an exemption from registration under the U.S. Securities Act for an offer and sale of the Notes which does not involve a public offering. In making your purchase, you will be deemed to have made certain acknowledgments, representations and agreements. See "*Transfer restrictions*."

This Offering Memorandum is being provided (1) to a limited number of U.S. investors that the Issuer reasonably believes to be "qualified institutional buyers" under Rule 144A for informational use solely in connection with their consideration of the purchase of the Notes and (2) outside the United States in connection with offshore transactions complying with Regulation S. The Notes described in this Offering Memorandum and the Guarantees have not been, and will not be, registered with, recommended by or approved by the U.S. Securities and

Exchange Commission (the "SEC"), any state securities commission in the United States or any other securities commission or regulatory authority, nor has the SEC or any state securities commission in the United States or any such other securities commission or authority passed upon the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense. Prospective investors are hereby notified that the seller of any Note may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A.

U.S. Treasury Department Circular 230 Disclosure

PURSUANT TO U.S. TREASURY DEPARTMENT CIRCULAR 230, WE HEREBY INFORM YOU THAT THE DESCRIPTION SET FORTH HEREIN WITH RESPECT TO U.S. FEDERAL TAX ISSUES WAS NOT INTENDED OR WRITTEN TO BE USED, AND SUCH DESCRIPTION CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING ANY PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER UNDER THE U.S. INTERNAL REVENUE CODE. SUCH DESCRIPTION WAS WRITTEN IN CONNECTION WITH THE MARKETING OF THE NOTES. TAXPAYERS SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

Notice to New Hampshire residents only

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES, ANNOTATED 1995, AS AMENDED ("RSA 421-B") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT, ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

Notice to European Economic Area investors

This Offering Memorandum has been prepared on the basis that the offer and sale of the Notes will be made pursuant to an exemption under Directive 2003/71/EC (and amendments thereto, including the Directive 2010/73/EU ("2010 PD Amending Directive)) (the "Prospectus Directive") as implemented in member states of the EEA, from the requirement to produce and publish a prospectus which is compliant with the Prospectus Directive, as so implemented, for offers of the Notes. Accordingly, any person making or intending to make any offer within the EEA or any of its member states (each a "Relevant Member State") of the Notes that are the subject of the placement referred to in this offering memorandum must only do so in circumstances in which no obligation arises for the Issuer or any of the initial purchasers to produce and publish a prospectus that is compliant with the Prospectus Directive, including Article 3 thereof, as so implemented for such offer. For EEA jurisdictions that have not implemented the Prospectus Directive, all offers of the Notes must be in compliance with the laws of such jurisdictions. Neither the Issuer nor the Initial Purchasers have authorized, nor do they authorize, the making of any offer of the Notes through any financial intermediary, other than offers made by the Initial Purchasers, which constitute a final placement of the Notes contemplated in this Offering Memorandum.

In relation to each Relevant Member State, each Initial Purchaser has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State it has not made and will not make an offer of the Notes that are the subject of this Offering contemplated by this Offering Memorandum to the public in that Relevant Member State other than:

- to any legal entity that is a "qualified investor" as defined in the Prospectus Directive;
- to fewer than 100 natural or legal persons or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or

legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive subject to obtaining the prior consent of the Initial Purchasers nominated by the Issuer for any such offer; or

- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of the Notes shall result in a requirement for the publication by the Issuer or the Initial Purchasers of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as such expression may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State. For the purposes of this provision, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State; and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Notice to investors in France

This Offering Memorandum has not been prepared and is not being distributed in the context of a public offering of financial securities in France within the meaning of Article L. 411-1 of the French *Code Monétaire et Financier* and Title I of Book II of the *Règlement Général* of the *Autorité des marchés financiers* (the French financial markets authority) (the "AMF"). Consequently, the Notes may not be, directly or indirectly, offered or sold to the public in France (*offre au public de titres financiers*), and neither this Offering Memorandum nor any offering or marketing materials relating to the Notes must be made available or distributed in any way that would constitute, directly or indirectly, an offer to the public in France.

The Notes may only be offered or sold in France to qualified investors (*investisseurs qualifiés*) acting for their own account and/or to providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), all as defined in and in accordance with Articles L. 411-1, L. 411-2, D. 411-1, D. 734-1, D. 744-1, D. 754-1 and D. 764-1 of the French *Code Monétaire et Financier*.

Prospective investors are informed that:

(i) this Offering Memorandum has not been and will not be submitted for clearance to the AMF;

(ii) in compliance with Articles L. 411-2, D. 411-1, D. 734-1, D. 744-1, D. 754-1 and D. 764-1 of the French *Code Monétaire et Financier*, any qualified investors subscribing for the Notes should be acting for their own account; and

(iii) the direct and indirect distribution or sale to the public of the Notes acquired by them may only be made in compliance with Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 through L. 621-8-3 of the French *Code Monétaire et Financier*.

Notice to investors in the United Kingdom

This Offering Memorandum has not been approved by an authorized person in the United Kingdom and is for distribution only to, and is only directed at, persons who (i) are investment professionals, being persons having professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, partnerships or high value trusts, etc.) of the Financial Promotion Order, (iii) are outside the United Kingdom or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended) in connection with the issue or sale of any Notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This Offering Memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offering Memorandum relates is permitted only by relevant persons and will be engaged in only with relevant persons.

Notice to investors in the Netherlands

The Notes (including the rights representing an interest in the Notes in global form) that are the subject of this Offering Memorandum have not been and shall not be offered, sold, transferred or delivered in the Netherlands other than to legal entities which are qualified investors (within the meaning of the Prospectus Directive). For the purposes of the above-mentioned paragraphs, the expression an "offer of Notes in the Netherlands" in relation to any Notes in the Netherlands means the announcement or communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive) and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Forward-looking statements

This Offering Memorandum includes forward-looking statements, which are based on our current expectations and projections about future events. All statements other than statements of historical facts included in this Offering Memorandum, including, without limitation, statements regarding our future financial position, risks and uncertainties related to our business, strategy, capital expenditures, projected costs and our plans and objectives for future operations, may be deemed to be forward-looking statements. Words such as "believe," "expect," "anticipate," "may," "assume," "plan," "intend," "will," "should," "estimate," "risk" and similar expressions or the negatives of these expressions are intended to identify forward-looking statements.

By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance.

In addition, any forward-looking statements are made only as of the date of this Offering Memorandum and we do not intend, and do not assume any obligation, to update forward-looking statements set forth in this Offering Memorandum. You should interpret all subsequent written or oral forward-looking statements attributable to us or to persons acting on our behalf as being qualified by the cautionary statements in this Offering Memorandum. As a result, you should not place undue reliance on these forward-looking statements.

Many factors may cause our results of operations, financial condition, liquidity and the development of the industry in which we compete to differ materially from those expressed or implied by the forward-looking statements contained in this Offering Memorandum. Factors that could cause such differences in actual results include:

- the impact of material disruptions at our warehouses or to our transportation network and of increases in transportation costs;
- the ability of third-party suppliers to meet our product requirements;
- the impact of French and worldwide economic conditions on demand for our products;
- the risk that our customers' financial difficulties require us to write off debts;
- the impact of competition in the spare parts distribution industry;
- our reliance on the age, number and mileage of light vehicles and trucks and the length of service intervals;
- disruption of our IT systems;
- the increasing use of technology in our industry;
- failure to maintain or improve our brand image;

- the risk that our growth strategy may not be successful;
- our inability to successfully integrate businesses following their acquisition by us;
- the impact of price and margin pressures;
- the termination of our affiliation agreements with affiliated independent distributors;
- our ability to attract and retain key personnel;
- the impact of changes in laws and regulations, including in relation to labor and employment;
- the deterioration in our relationships with our employees or trade unions;
- the impact of higher employment costs;
- the impact of environmental, health and safety regulations;
- the risk of material losses as a result of product liability and warranty claims, including claims for products we import from outside the European Union;
- the impact of legal and arbitration proceedings;
- our failure to comply with tax regulations and actions by tax authorities;
- the impact of competition and antitrust laws; and
- other risks associated with our financing, the Notes and our structure discussed under "*Risk factors.*"

We disclose important factors that could cause our actual results to differ materially from our expectations in "*Summary*," "*Risk factors*" and "*Management's discussion and analysis of financial condition and results of operations.*" Other sections of this Offering Memorandum describe additional factors that could adversely affect our business, financial condition or results of operations. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for us to predict all such risk factors. We cannot assess the impact of all risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you should not place undue reliance on forward-looking statements as a prediction of actual results.

Industry and market data

In this Offering Memorandum, we rely on and refer to information regarding our business and the markets in which we operate and compete. We have generally obtained the market, competitive-position and cost savings data in this Offering Memorandum from industry publications and from surveys or studies conducted by third-party sources commissioned by us, including L.E.K. Consulting, Kepler S.A.S. and WOLK.

We believe that these industry publications, surveys and studies are reliable. However, we cannot assure you of the accuracy and completeness of such information and we have not independently verified such industry and market data.

Industry and consultant publications and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. While we believe that each of the studies and publications we have used is reliable, neither we nor the Initial Purchasers have independently verified the data that were extracted or derived from these industry and consultant publications or reports and cannot guarantee their accuracy or completeness. Market data and statistics are inherently uncertain and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

While we are not aware of any misstatements regarding the industry or similar data presented herein, such data involve risks and uncertainties and are subject to change based on various factors, including those discussed under "*Risk factors*." As far as we are aware and have been able to ascertain from information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. Neither we nor the Initial Purchasers make any representation as to the accuracy or completeness of any such information in this Offering Memorandum.

In addition, we have made statements in this Offering Memorandum regarding our industry and our position in the industry based on our experience and our own investigation of market conditions. Neither we nor the Initial Purchasers can assure you that any of these statements are accurate or correctly reflect our position in the industry, and none of our internal surveys or information has been verified by any independent sources.

Certain numerical figures contained in this Offering Memorandum, including financial information, market data and certain operating data, have been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column or a row in tables may not conform exactly to the total figure given for that column or row or the sum of certain numbers presented as a percentage may not conform exactly to the total percentage given.

Presentation of financial information and other data

Financial statements presented

We have included in this Offering Memorandum an English translation of, and primarily discuss herein, the audited consolidated financial statements of the Parent Guarantor as of and for the years ended December 31, 2010, 2011 and 2012, and the unaudited interim condensed consolidated financial statements of the Parent Guarantor as of and for the ten months ended October 31, 2013 with corresponding income statement and cash flow data for the ten months ended October 31, 2012. Unless specified otherwise, the consolidated financial information included in this Offering Memorandum relates to the Parent Guarantor, the direct parent of the Issuer. We do not present in this Offering Memorandum any financial information or financial statements of the Issuer. The Parent Guarantor will guarantee the Notes on a senior secured basis. Accordingly, all references to "we," "us," "our" or the "Group" in respect of financial information in this Offering Memorandum are to the Parent Guarantor and its subsidiaries on a consolidated basis. Both the Parent Guarantor and the Issuer are holding, management and finance companies with no revenue-generating activities of their own. See "*Risk factors—Risks related to our indebtedness and the Notes—Each of the Issuer and the Parent Guarantor is a holding company that has no revenue-generating operations of its own and will depend on cash from its operating subsidiaries to be able to make payments on the Notes, as applicable*." The audited consolidated financial statements of the Parent Guarantor, an English translation of which is included herein, have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). The unaudited interim condensed consolidated financial statements of the Parent Guarantor as of and for the ten months ended October 31, 2013 with corresponding income statement and cash flow data for the ten months ended October 31, 2012 included herein have been prepared in accordance with IAS 34 "Interim Financial Reporting," the IFRS standard applicable to interim financial statements.

In making an investment decision, you must rely upon your own examination of the terms of this Offering and the financial information contained in this Offering Memorandum. You should consult your own professional advisors for an understanding of the differences between IFRS and generally accepted auditing principles in the United States and how those differences could affect the financial information contained in this Offering Memorandum.

Our income statement for the year ended December 31, 2011 has been restated in the consolidated financial statements of the Parent Guarantor for the year ended December 31, 2012, due to the completion of the sale of our majority stake in our Italian operations in April 2013, in order to reclassify our Italian operations within discontinued operations (see note 5 to the consolidated financial statements of the Parent Guarantor as of and for the year ended December 31, 2012, an English translation of which is included in this Offering Memorandum). Accordingly, our audited consolidated financial statements included in this Offering Memorandum for the year ended December 31, 2011 are not comparable with the comparative 2011 income statement in our audited consolidated financial statements included in this Offering Memorandum for the year ended December 31, 2012 due to the completion of the sale of our majority stake in our Italian operations in April 2013 and the restatement of our audited consolidated financial statements for the year ended December 31, 2012. In the various financial tables, including in "*Summary—Summary consolidated financial and other information*" and "*Selected consolidated financial information*" and the discussions of our financial results in "*Management's discussion and analysis of financial condition and results of operations,*" we have presented our results for the year ended December 31, 2011 on a restated basis, and thus those results are not directly comparable with our results for the year ended December 31, 2010 presented in such tables and discussions, which include the Italian operations sold by us.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas in which assumptions and estimates are significant to our financial statements, are disclosed in our audited consolidated financial statements. See "*Management's discussion and analysis of financial condition and results of operations—Critical accounting policies*."

Our financial statements are presented in euro rounded to the nearest hundred thousand. Therefore, discrepancies in the tables between totals and the sums of the amounts listed may occur due to such rounding. Rounding adjustments have been made in calculating some of the financial and other information included in this Offering Memorandum. As a result, figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

The consolidated financial statements as of and for the years ended December 31, 2010, 2011 and 2012 included elsewhere in this Offering Memorandum are uncertified English translations and were originally issued in French.

The acquisition of Rougon Queyrel

On December 30, 2013, we acquired all of the equity interests of Rougon Queyrel, a distributor in southeastern France of spare parts for light vehicles. For the year ended December 31, 2012, Rougon Queyrel generated revenue of €14.5 million and EBITDA of €1.1 million. We have not included any financial statements for Rougon Queyrel in this Offering Memorandum. However, we have presented certain summary unaudited pro forma consolidated financial data, giving pro forma effect to the acquisition of Rougon Queyrel on December 30, 2013 as if such acquisition had been consummated and fully integrated on November 1, 2012, and includes the EBITDA of Rougon Queyrel of €1.1 million derived from the statutory accounts of Rougon Queyrel as of and for the twelve months ended December 31, 2012.

The Contemplated ACR Acquisition

Following the conclusion of a fulsome due diligence process, the Parent Guarantor has been granted a period of exclusivity to negotiate with ACR's shareholders with respect to a potential acquisition of ACR and its subsidiary by Autodistribution S.A. The exclusive negotiations are on the basis of an enterprise value for ACR of between €55 and €65 million. Autodistribution S.A. and ACR have agreed to initiate the works council consultation processes to proceed with the Contemplated ACR Acquisition. Under these consultation processes, the applicable works councils will have a period of time to review and give their opinion on the Contemplated ACR Acquisition, but are not required to approve, and do not have the right to veto, the Contemplated ACR Acquisition. These works council consultation processes are required to be completed prior to entry into any definitive agreement in respect of the Contemplated ACR Acquisition. We expect these consultation processes to take at least 15 days from January 14, 2014, the date they were initiated.

For the twelve months ended October 31, 2013, ACR generated revenue of €68.9 million and Adjusted EBITDA of €6.6 million. The financial data of ACR has been prepared in accordance with French GAAP and is not directly comparable with the financial information of the Parent Guarantor prepared in accordance with IFRS as adopted by the European Union. If the Contemplated ACR Acquisition is completed, ACR will become a subsidiary of Autodistribution S.A., itself an indirect wholly-owned subsidiary of the Parent Guarantor. We would account for the Contemplated ACR Acquisition using the acquisition method of accounting, which requires that we recognize the identifiable assets acquired and liabilities and contingencies assumed at their fair value as of the completion of the applicable acquisition. If we complete the Contemplated ACR Acquisition, ACR's operating results will be consolidated with ours in the future. As a result, our financial results in the future would not be directly comparable to those in this Offering Memorandum. See "*Management's discussion and analysis of financial condition and results of operations—Factors affecting our results of operations—Factors specific to our business—Acquisitions and disposals*."

We have not included any financial statements for ACR in this Offering Memorandum. However, we have presented certain summary unaudited pro forma consolidated financial data, which have been prepared to give effect to the Contemplated ACR Acquisition as if it had occurred on November 1, 2012. This pro forma data has been derived through the mathematical addition of the unaudited income statement data for the Parent Guarantor for the twelve months ended October 31, 2013 and the income statement data derived from the management accounts for ACR for the twelve months ended October 31, 2013, and then applying adjustments to give effect to future cost and purchasing savings. The pro forma adjustments are based upon available information and certain assumptions that we believe are reasonable. However, this unaudited pro forma consolidated financial data is for informational purposes only and does not purport to represent what our results of operations or other financial information actually would have been if the Contemplated ACR Acquisition had occurred at any date, and such data does not purport to project the results of operations for any future period. ACR's financial year ends on December 31. The unaudited pro forma consolidated financial data has not been prepared in accordance with the requirements of Regulation S-X of the U.S. Securities Act or the Prospectus Directive.

We expect to finance the Contemplated ACR Acquisition either using (i) a combination of (A) €40.0 million of proceeds of this Offering placed into escrow pending such Contemplated ACR Acquisition and (B) cash on our balance sheet (which may include proceeds from this Offering that are not placed into escrow) or (ii) proceeds of a new contribution of equity to Autodistribution S.A. by our sponsors. However, if (a) the Contemplated ACR Acquisition is not completed by May 31, 2014, (b) in the reasonable judgment of the Issuer, the Contemplated ACR Acquisition will not be completed by May 31, 2014, (c) any ACR Acquisition Agreement is terminated at any time prior to May 31, 2014, (d) the Contemplated ACR Acquisition is completed with cash provided by proceeds from a new equity contribution made available by our sponsors in lieu of using the proceeds of this Offering placed into escrow, (e) TowerBrook ceases to beneficially own and control a majority of the issued and outstanding capital stock of the Issuer or (f) certain insolvency events occur, Notes in an aggregate principal amount of €40.0 million will be subject to a special mandatory redemption as described under "*Description of the Senior Secured Notes—Escrow of proceeds, Special Mandatory Redemption*."

Other financial measures

This Offering Memorandum contains non-IFRS (as defined below) measures and ratios, including EBITDA, EBITDA margin, Adjusted EBITDA, Adjusted EBITDA margin, EBIT, EBIT margin, Pro Forma Adjusted EBITDA (excluding ACR), Pro Forma Adjusted EBITDA (including ACR), operating cash flow, cash conversion, change in working capital, change in working capital margin and capital expenditure margin (collectively, the "EBITDA measures"), each as defined by us, that are not required by, or presented in accordance with, SEC requirements, IFRS, French GAAP or the accounting standards of any other jurisdiction. We have included these measures because management uses them to measure operating performance in presentations to our directors and as a basis for strategic planning and forecasting, as well as for monitoring certain aspects of our cash flows from operating activities and liquidity. Our non-IFRS measures are defined by us as follows:

- "EBITDA" represents net income/(loss) from continuing operations before income tax, financial items (net), share of income of associates, other income/(expenses) from operations and depreciation/amortization expense (as included in our financial statements for the years ended December 31 2010, 2011 and 2012 and for the ten months ended October 31, 2012 and 2013). For a reconciliation of EBITDA to net income/(loss) from continuing operations, see footnote 1 under "*Summary—Summary consolidated financial and other information*";
- "EBITDA margin," expressed as a percentage, is calculated as EBITDA divided by revenue;
- "Adjusted EBITDA" represents EBITDA as adjusted for certain non-cash items and certain items we believe are non-recurring. Adjusted EBITDA is presented because we believe it is a relevant measure for assessing performance and cash flows since it is adjusted for certain non-cash and non-recurring items and thus aids in understanding our profitability for a given period. For a reconciliation of Adjusted EBITDA to EBITDA, see footnote 1 under "*Summary—Summary consolidated financial and other information*";
- "Adjusted EBITDA margin," expressed as a percentage, is calculated as Adjusted EBITDA divided by revenue;
- "EBIT" represents net income/(loss) from continuing operations before income taxes, financial items (net), share of income from associates and other income/(expenses) from operations. For a reconciliation of EBIT to net income/(loss) from continuing operations, see footnote 1 under "*Summary—Summary consolidated financial and other information*";

- "EBIT margin," expressed as a percentage, is calculated as EBIT divided by revenue;
- each of "Pro Forma Adjusted EBITDA (including ACR)" and "Pro Forma Adjusted EBITDA (excluding ACR)" represents Adjusted EBITDA, which gives pro forma effect to various cost and purchasing savings. We cannot assure you that we will be able to realize all these cost and purchasing savings, and the costs we incur to realize these savings may be higher than expected or may outweigh the benefits. See "*Risk factors—Risks related to our business—We may face disruption in integrating our recently acquired businesses or any future potential acquisition and may be unable to realize the expected savings from these businesses and any other cost improvement measures we have taken.*" For a reconciliation of each of Pro Forma Adjusted EBITDA (including ACR) and Pro Forma Adjusted EBITDA (excluding ACR) to net income/(loss) from continuing operations, see footnote 1 under "*Summary—Summary consolidated financial and other information*";
- "Operating cash flow" represents Adjusted EBITDA excluding change in working capital and acquisition of fixed assets, net of disposals. For a reconciliation of operating cash flow to Adjusted EBITDA, see footnote 8 under "*Summary—Summary consolidated financial and other information—Other financial and pro forma data*";
- "cash conversion," expressed as a percentage, is calculated as operating cash flow divided by Adjusted EBITDA;
- "change in working capital" represents the change in inventories, trade payables, trade receivables and other current assets and liabilities;
- "change in working capital margin," expressed as a percentage, is calculated as change in working capital divided by revenue; and
- "capital expenditure margin," expressed as a percentage, represents investments in property, plant and equipment and intangible assets divided by revenue.

We present the EBITDA measures for informational purposes only. There is no assurance that items we have identified for adjustment as non-recurring will not recur in the future or that similar items will not be incurred in the future. The calculations of the EBITDA measures are based on various assumptions and management estimates. These amounts have not been and, in certain cases, cannot be, audited, reviewed or verified by any independent accounting firm.

We present the Adjusted EBITDA measures because we believe they are helpful to investors as measures of our operating performance and ability to service our debt, and because our management uses these measures to assess our liquidity and operating performance. These measures should not be considered as alternatives to other indicators of our operating performance, cash flows or any other measure of performance derived in accordance with IFRS.

Our EBITDA measures have limitations as analytical tools. Our EBITDA measures may not give an accurate or complete picture of our results or transactions for the periods presented, may not be comparable to our consolidated financial statements or the other financial information included in this Offering Memorandum and should not be relied upon when making an investment decision. Some of the limitations related to the EBITDA measures are:

- they do not reflect our cash expenditures or future requirements for capital commitments;
- they do not reflect changes in, or cash requirements for, our working capital needs;
- they do not reflect the interest expense or cash requirements necessary to service interest or principal payments on our debt;
- they do not reflect any cash income taxes and certain other taxes that we may be required to pay;
- they are not adjusted for all non-cash income or expense items that are reflected in our statements of cash flows;
- they do not reflect the impact of earnings or charges resulting from certain matters we consider not to be indicative of our ongoing operations; and

- assets are depreciated or amortized over differing estimated useful lives and often have to be replaced in the future, and the EBITDA measures do not reflect any cash requirements for such replacements.

Other companies in our industry may calculate the EBITDA measures differently than we do, which may limit their usefulness as comparative measures. Because of these limitations, our non-IFRS measures and related ratios should not be considered as measures of discretionary cash available to us to invest in the growth of our business or as measures of cash that will be available to us to meet our obligations or reduce our indebtedness. You should compensate for these limitations by relying primarily on our IFRS results and using these non-IFRS measures only as a supplement to evaluate our performance.

Certain definitions

Unless otherwise specified or the context requires otherwise, in this Offering Memorandum references to:

"ACR"	means ACR Holding S.A.S., a private limited liability company (*société par actions simplifée*) organized and existing under the laws of France with registered number 523 102 762 RCS Nanterre, having its registered office at Route du Môle, 2-3, 92230 Gennevilliers, France;
"ACR Acquisition Agreement"	means the contemplated acquisition agreement providing for the acquisition of ACR by Autodistribution S.A., potentially to be entered into between Autodistribution S.A., as buyer, and the shareholders of ACR, as sellers;
"Additional Guarantor Accession Date"	means the date on which Autodistribution S.A. will guarantee the Notes on a senior secured basis, which will be no later than the date falling 60 days after the Issue Date;
"Autodistribution S.A."	means Autodistribution S.A., a public limited liability company (*société anonyme*) organized and existing under the laws of France with registered number 962 227 351 RCS Créteil, having its registered office at 22 avenue Aristide Briand, 94110 Arcueil, France;
"Clearstream"	means Clearstream Banking, *société anonyme*;
"Collateral"	means the Issue Date Collateral, the Post-Issue Date Collateral and the Post-Completion Date Collateral, as described in "*Description of the Senior Secured Notes—Security*." The validity and enforcement of the Collateral is subject to certain restrictions under applicable laws. See "*Limitations on validity and enforceability of the Guarantees and the security interests*";
"Completion Date"	means the date on which, as the case may be, the Contemplated ACR Acquisition is completed and €40.0 million in proceeds of this Offering, used to finance the Contemplated ACR Acquisition, are released from the escrow account;
"Contemplated ACR Acquisition"	means the potential purchase of all of the outstanding equity interests of ACR by Autodistribution S.A. pursuant to the ACR Acquisition Agreement. See "*Summary—Recent developments—Contemplated ACR Acquisition*";
"Contingent Value Instruments"	means the 25,500,000 subordinated contingent value bonds issued by the Parent Guarantor on April 21, 2009 in connection with our restructuring. The Contingent Value Instruments do not bear interest and will expire on April 21, 2017. The Contingent Value Instruments do not have a maturity or principal amount due, but rather are only entitled to receive an amount equal to a portion of any distribution up to €25.5 million to TowerBrook, Investcorp and their respective affiliates made prior to their expiration date, to the extent TowerBrook, Investcorp and their respective affiliates have received more than three times their aggregate investment between the issue date of the Contingent Value Instruments and the date of such distribution. The Contingent Value Instruments will only be fully payable in the event the aggregate distributions to TowerBrook and Investcorp total €577.7 million. The Contingent Value Instruments will terminate upon their expiration date and certain insolvency events. The terms of the Contingent Value Instruments do not restrict the issue of the Notes nor their use to repay the Existing Senior Facilities, the EP Bonds and the Hedge Promissory Note. See "*Description of certain financing arrangements—Liquidity and capital resources—Credit arrangements following this Offering—Contingent Value Instruments*";

"DutchCo"	means Parts Holdings B.V., a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated and existing under the laws of the Netherlands, registered with the Dutch trade register under number 30257069, having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands;
"Dutch Security Providers"	means DutchCo and Top DutchCo;
"EP Bonds"	means the 2,636,198 interest-free subordinated equity purchase bonds with par value of €1 without warrants attached issued by the Parent Guarantor on April 21, 2009 in connection with our restructuring;
"Escrow Agent"	means Elavon Financial Services Limited, UK Branch;
"Escrow Agreement"	means the escrow agreement dated as of the Issue Date among, *inter alios*, the Issuer, the Trustee and the Escrow Agent;
"euro," "EUR" or "€"	means the single currency of the participating member states in the Third Stage of the European Economic and Monetary Union of the Treaty Establishing the European Community, as amended from time to time;
"Euroclear"	means Euroclear Bank SA/NV;
"EU" or "European Union"	means the European economic and political union;
"Existing Senior Facilities"	means the credit facilities established under the senior facilities agreement dated February 24, 2006, as amended from time to time, between, among others, Autodistribution S.A. and the Issuer as borrowers, the Parent Guarantor, and Citibank International plc as arranger, original lender, agent and security agent, providing for (i) a €81.1 million refinancing term loan facility, (ii) a €23.4 million corporate-purpose term loan facility and (iii) a €2.9 million ancillary facility which as of the Issue Date is undrawn;
"French GAAP"	means French generally accepted accounting principles;
"Guarantees"	means the Parent Guarantee, the Subsidiary Guarantee and any future guarantee of the Notes pursuant to the Indenture;
"Guarantors"	means the Parent Guarantor, Autodistribution S.A. and any future guarantor of the Notes pursuant to the Indenture;
"Hedge Promissory Note"	means the €5.0 million promissory note issued by Autodis S.A. on April 21, 2009 in favor of BNP Paribas;
"Indenture"	means the indenture to be dated on or about the Issue Date governing the Notes offered hereby;
"Initial Purchasers"	means, collectively, J.P. Morgan Securities plc and Oddo & Cie;
"Intercreditor Agreement"	means the intercreditor agreement to be entered into on or prior to the Issue Date by and among, *inter alios*, the lenders and agents under the Revolving Credit Facility, certain hedge counterparties, the Issuer, the Security Agent and the Trustee, which is described in more detail in "*Description of certain financing arrangements—Intercreditor Agreement*";
"Interest Free Shareholder Loan"	means the €50.0 million unsecured interest free shareholder loan provided by DutchCo to the Parent Guarantor, in connection with our restructuring on April 21, 2009;
"Investcorp"	means Investcorp Bank B.S.C. and, where applicable, its subsidiaries, affiliates, funds and limited partnerships managed or advised by it;
"Issue Date"	means the date of original issuance of the Notes, on or about , 2014;

"Issue Date Collateral"	means (i) a first-priority pledge of the capital stock of DutchCo, (ii) a first-priority pledge of the capital stock, bank accounts and intragroup receivables of the Parent Guarantor, (iii) a first-priority pledge of the capital stock of the Issuer and (iv) first-priority security interests over substantially all of the assets of the Issuer, including a first-priority pledge of the capital stock of Autodistribution S.A., Magenta Auto Pieces S.A. and SDFM S.A. held by the Issuer, a first-priority pledge over its bank accounts and a first-priority pledge over its intragroup receivables;
"Issuer"	means Autodis S.A., a public limited liability company (*société anonyme*) organized and existing under the laws of France with registered number 086 380 706 RCS Créteil, having its registered office at 22 avenue Aristide Briand, 94110 Arcueil, France;
"Member States"	means the member states of the European Union;
"Members' Agreement"	means the members' agreement described in "*Principal shareholders—Members' Agreement*";
"Notes"	means the €240.0 million aggregate principal amount of % notes offered hereby;
"Offering"	means the offering of the Notes pursuant to this Offering Memorandum;
"Parent Guarantee"	means the senior secured guarantee of the Notes by the Parent Guarantor as described in "*Summary—The Offering—Guarantees*";
"Parent Guarantor"	means Parts Holdings (France) S.A.S., a private limited liability company (*société par actions simplifée*) organized and existing under the laws of France with registered number 488 077 165 RCS Créteil, having its registered office at 22 avenue Aristide Briand, 94110 Arcueil, France;
"Post-Completion Date"	means the date on which the Notes will be secured by the Post-Completion Date Collateral, which will be no later than 90 days following the Completion Date;
"Post-Completion Date Collateral"	means a first-priority pledge of the issued capital stock of ACR on the Post-Completion Date, which shall secure the Notes on the Post-Completion Date;
"Post-Issue Date Collateral"	means a first-priority pledge of (i) the capital stock of Commerce Rechange Automobiles S.A.S., Cofirhad S.A.S., Groupement Autodistribution Centre Auvergne "GADCA" S.A.S. and AD Grand Ouest S.A.S. held by Autodistribution S.A., (ii) Autodistribution S.A.'s material bank accounts and (iii) Autodistribution S.A.'s intragroup receivables, which will secure the Notes on the Additional Guarantor Accession Date;
"qualified institutional buyer" or "QIB"	has the meaning ascribed to such terms in Rule 144A under the U.S. Securities Act;
"Refinancing"	means this Offering, the prepayment in full (including in respect of loans from our shareholders) of the Existing Senior Facilities, the Hedge Promissory Note, the EP Bonds, the Senior Equity Loan and the Interest Free Shareholder Loan, and the payment of the estimated fees and expenses incurred in connection therewith, as further described in "*Use of proceeds*";
"Registrar"	means Elavon Financial Services Limited;
"Regulation S"	means Regulation S under the U.S. Securities Act;
"Revolving Credit Facility"	means the €20.0 million senior secured revolving credit facility established under the Revolving Credit Facility Agreement, which is described in more detail in "*Description of certain financing arrangements—Revolving Credit Facility Agreement*";

"Revolving Credit Facility Agreement"	means the revolving credit facility agreement to be entered into on or prior to the Issue Date by and among, *inter alios*, the Issuer, the Parent Guarantor, J.P. Morgan Limited, as mandated lead arranger, the financial institutions named therein as original lenders and J.P. Morgan Europe Limited as agent and U.S. Bank Trustees Limited as security agent;
"Rougon Queyrel"	means Etablissement Rougon-Queyrel, a private limited liability company (*société par actions simplifée*) organized and existing under the laws of France with registered number Gap B 385 950 100, having its registered office at ZA des Fauvins, 05000 Gap, France;
"Rule 144A"	means Rule 144A under the U.S. Securities Act;
"Security Agent"	means U.S. Bank Trustees Limited;
"Security Documents"	has the meaning ascribed to it in "*Description of the Senior Secured Notes—Certain definitions*";
"Senior Equity Loan"	means the €30.0 million unsecured shareholder loan provided by DutchCo to the Parent Guarantor, dated April 21, 2009, bearing an interest rate of 8% capitalized per annum;
"Subsidiary Guarantee"	means the senior secured guarantee of the Notes by Autodistribution S.A. as described in "*Summary—The Offering—Guarantees*";
"Top DutchCo"	means Parts Holdings Coöperatief U.A., a cooperative with excluded liability (*coöperatie met uitgesloten aansprakelijkheid*) incorporated and existing under the laws of the Netherlands, registered with the Dutch trade register under number 30254923, having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands;
"TowerBrook"	means TowerBrook Capital Partners L.P. and/or, where applicable, the funds and limited partnerships managed or advised by it;
"Transactions"	means, collectively, the Refinancing and the Contemplated ACR Acquisition;
"Transfer Agent"	means Elavon Financial Services Limited, UK Branch;
"Trustee"	means U.S. Bank Trustees Limited, as trustee for the Notes;
"United States" and "U.S."	means the United States of America;
"U.S. dollar," "USD," "U.S.$" or "$"	means the lawful currency of the United States; and
"us," "Group," "our" and "we"	means the Parent Guarantor and its subsidiaries, unless the context requires otherwise.

Exchange rate information

The table below sets forth the period end, average, high and low Bloomberg (London) Composite Rate, expressed as U.S. dollars per €1.00, for the periods and dates indicated. The rates below may differ from the actual rates used in the preparation of our consolidated financial statements and the other financial information appearing in this Offering Memorandum. The figure in the "Average" column for the annual presentation represents the average noon buying rate on the last business day of each month during the relevant period. The figure in the "Average" column of the monthly presentation represents the average daily noon buying rate for each business day during the relevant period. Our inclusion of these exchange rates is not meant to suggest that the euro amounts actually represent such dollar amounts or that such amounts would have been converted at a particular rate, if at all.

The Bloomberg Composite Rate of the euro on January 15, 2014 was U.S.$1.3594 per €1.00.

	U.S. dollars per euro			
	Period end	Average	High	Low
Year				
2009	1.4331	1.3944	1.5094	1.2543
2010	1.3366	1.3266	1.4510	1.1952
2011	1.2960	1.3924	1.4874	1.2925
2012	1.3197	1.2859	1.3463	1.2053
2013	1.3789	1.3300	1.3789	1.2819

	U.S. dollars per euro			
	Period end	Average	High	Low
Month				
August 2013	1.3204	1.3315	1.3420	1.3204
September 2013	1.3531	1.3354	1.3531	1.3127
October 2013	1.3599	1.3639	1.3804	1.3498
November 2013	1.3586	1.3492	1.3596	1.3367
December 2013	1.3789	1.3708	1.3803	1.3551
January 2014 (through January 15)	1.3594	1.3642	1.3766	1.3570

Summary

The following summary highlights selected information from this Offering Memorandum. The summary does not contain all the information you should consider before you invest in the Notes and should be read in conjunction with and is qualified in its entirety by the more detailed information included elsewhere in this Offering Memorandum. Please see the sections entitled "Risk factors" and "Management's discussion and analysis of financial condition and results of operations" for additional factors that you should consider before investing in the Notes.

Overview

We are the leading distributor of aftermarket spare parts for light vehicles and trucks in the independent aftermarket segment ("IAM") in France, where we generated 90% of our revenue for the twelve months ended October 31, 2013. We also hold a strong regional position in the Polish light vehicle IAM, where we generated 10% of our revenue over the same period. With over 50 years of experience in the market, we believe that as of December 31, 2012, we held a market share of approximately 22% in terms of revenue in the fragmented French light vehicle IAM. The IAM has demonstrated resilience in recent years and currently benefits from advantageous long-term trends. Our scale provides us with significant purchasing power with aftermarket spare parts suppliers, and our extensive network throughout France allows us to deliver a broad range of parts on a timely and efficient basis.

We distribute parts and other products in four business lines across the French IAM: light vehicle parts for maintenance and repair; light vehicle parts for collision repair; truck parts for maintenance and repair; and equipment and tools for light vehicle maintenance and repair. We distribute a broad portfolio of products in each our four business lines, featuring approximately 1.7 million spare parts from over 300 suppliers.

We are an integrated distributor, with an advanced supply chain and distribution system. Our system in France is organized around central purchasing departments, which buy aftermarket spare parts and equipment and tools from our suppliers, which are then sold to our wholly-owned distributors or to affiliated independent distributors. These distributors sell these parts, equipment and tools to independent garages, body shops, fast-fitters, fleet garages for light vehicles and trucks and car centers ("garages"), some of which are affiliated with us and operate under our brands, such as AD ("branded garages"). Sales by our wholly-owned distributors to garages represented 75% of our revenue in France for the twelve months ended October 31, 2013, and sales by us to affiliated independent distributors represented 25% of our revenue in France over the same period. As of October 31, 2013, we had a network of 48 wholly-owned distributors and 44 affiliated independent distributors in France. These distributors operated out of 489 distribution sites which are supplied either by our three warehouses (one for each of light vehicle parts, light vehicle collision repair parts and truck parts) or through direct shipments from suppliers. We use a customized information technology ("IT") system to ensure the efficient management of our supply chain and distribution system by tracking product availability, stock levels and delivery schedules. In Poland, we operated three warehouses and 43 distribution sites.

The spare parts and equipment and tools that we distribute are sold to more than 125,000 end-customers in France, a significant portion of which are independent garages. Approximately 3,200 of such garages operate under our brands, such as AD, and participate in an affiliate program through which they receive enhanced service and support from us, and in return our wholly-owned and affiliated independent distributors are designated as their preferred distributor of spare parts. Our extensive network, spanning the supply chain from central purchasing to branded garages, has enabled us to develop a highly recognized brand in the markets in which we operate.

Our leading market positions, large-scale operations and centralized purchasing departments provide us with significant purchasing power, which we use to negotiate volume rebates with our suppliers. We pass on a portion of these rebates to both our wholly-owned distributors and affiliated independent distributors in France. As members of our loyalty program, our affiliated independent distributors receive the benefit of our volume rebates by agreeing to purchase at least 70% of their spare parts from us, driving our volumes.

For the twelve months ended October 31, 2013, we generated revenue of €1,129 million and Adjusted EBITDA of €53.1 million. We are currently in exclusive negotiations regarding the Contemplated ACR Acquisition. ACR is a specialized distributor in France of spare parts for light vehicles. For the twelve months ended October 31, 2013, ACR generated adjusted EBITDA of €6.6 million, and we have in addition identified €6.0 million of cost and purchasing savings per year that we will seek to realize in large part by having ACR purchase spare parts under our existing arrangements with our suppliers, which provide for more advantageous terms.

Of the €730.6 million in revenue generated by our wholly-owned distributors in France for the year ended December 31, 2012, light vehicle parts for maintenance and repair accounted for approximately 51%; light vehicle parts for collision repair accounted for approximately 16%; truck parts for maintenance and repair accounted for approximately 10%; and equipment and tools for light vehicle maintenance and repair accounted for approximately 23%. The remaining €246.0 million of our revenue for the year ended December 31, 2012 was generated by sales to affiliated independent distributors.

Our strengths

Leading distributor in the profitable and resilient independent light vehicle and truck aftermarket sector

Profitable and resilient sector

The light vehicle and truck spare parts aftermarket is one of the most profitable sectors of the light vehicle and truck value chain. Demand in the light vehicle spare parts aftermarket is affected by the number of cars on the road (the "car park") and the average age of and miles driven by these cars. The aftermarket in the countries in which we operate has proven resilient during recent economic downturns even as new car sales decline. For example, the French light vehicle and truck aftermarket increased by 1.3% between 2008 and 2011. This resilience is due in part to several beneficial trends which we believe will continue in the medium term, such as a stable car park size, a continuing increase in the average age of the car park, increasingly complex and technologically advanced vehicle parts and advantageous regulatory schemes in the jurisdictions in which we operate. For example, the slowdown of new car sales in the markets in which we operate has led to an increase in the average age of the car park, resulting in more cars that are beyond the manufacturer warranty period and are in need of repair and maintenance. Independent garages sourcing IAM-provided spare parts provide value for owners of such older cars looking for an alternative to more expensive manufacturer dealers's garages.

According to WOLK, the French IAM, which represented 56% of the revenues generated by the light vehicle parts aftermarket in France in 2011, is expected to remain stable between 2011 and 2015.

Leading position

We are the leading distributor of aftermarket parts for light vehicles and trucks in the IAM in France, with over 50 years of experience. As of December 31, 2012, we held an estimated market share of approximately 22% in terms of revenue in the fragmented light vehicle IAM. Our leading position in the IAM, our well-recognized brand and our extensive distribution network provide us with a strong platform to deliver a broad range of spare parts, equipment and tools on a timely and efficient basis. We also enjoy a strong regional position in the light vehicle IAM in Poland through our wholly-owned distributors in southern Poland.

Vertically integrated distribution system serving a diversified customer base

Vertically integrated distribution system

Our distribution system is vertically integrated, enabling us to frequently and rapidly distribute a large assortment of parts, at a lower cost than smaller operators, and to maintain high levels of product availability. Each of our business lines in France has an extensive distribution network organized around our central purchasing departments, three specialized national warehouses and distribution sites spread throughout France. We also arrange for direct supply of spare parts and equipment and tools from suppliers, and these deliveries are handled separately from our logistics platform. For those parts not shipped directly from the supplier, we use a customized IT system to ensure the efficient management of our supply chain and distribution system by tracking product availability, stock levels and delivery schedules. Our distribution system is also capable of making frequent, rapid deliveries and has been designed to efficiently handle high volumes, thereby reducing costs, increasing product availability and, ultimately, driving increased customer loyalty. Furthermore, we have organized our distribution system taking into account each business line's specific characteristics in order to optimize our operational flexibility and efficiency, thereby increasing our ability to provide high levels of service to our customers. Our vertically integrated distribution system and network of distributors and end-customers provide us with a competitive advantage in France over smaller operators because smaller operators lack our purchasing power, large on-hand stock and service levels. We are also a founding partner of the AD International purchasing network, one of the largest international purchasing networks for spare parts, which further enhances our purchasing power, allows us to obtain significant rebates and complements our leading position in France by giving us access to best-practices of other AD International partners abroad. We believe that the advantages of our vertically integrated distribution system are difficult to replicate, because the significant time and resources that would be required to reproduce our existing infrastructure.

Diversified customer base

Our vertically integrated distribution system enables us to deliver high levels of service to a very large customer base of light vehicle and truck garages (which include independent garages, body shops, fast fitters, fleet garages and car centers). We serve more than 125,000 end-customers in France, including our approximately 3,200 branded garages which we service through both our wholly-owned and affiliated independent distributors. For the twelve months ended October 31, 2013, 75% of our revenue in France was generated by sales to garages through our wholly-owned distributors, and 25% of our revenue in France was generated by sales to affiliated independent distributors that are members of our loyalty program. We believe that our efficient distribution network and our ability to deliver a wide variety of parts across a broad network on a timely and efficient basis has contributed to increased customer loyalty and enabled us to develop and maintain our large and diverse customer base. In general, the end-customers targeted by our wholly-owned distributors and our affiliated independent distributors do not overlap due to the commercial arrangements that we have in place with our affiliated independent distributors.

High-quality service and highly efficient operations based on customized IT systems and extensive product portfolio

High-quality service

Quality of service in the IAM distributor market is closely tied to the range of parts on offer, efficient and effective order execution, timely delivery and responsive customer service. We offer an extensive product portfolio of approximately 1.7 million spare parts from over 300 suppliers. Our large geographic footprint, vertically integrated distribution system and advanced logistics platform allow us to provide efficient and effective service to our customers throughout France. We provide several daily deliveries, including deliveries within two hours for fast-moving items and next business day deliveries for slow-moving items. If a distributor does not have a specific spare part in stock, we are able to deliver the item to that distributor from one of our logistics platforms or arrange delivery directly from the supplier within one business day of order placement. We also deliver other services for our customers, including user-friendly websites and online and offline support, technical hotlines and training services. Our online business-to-business car and truck repair and maintenance web portals (Autossimo and Truckissimo, respectively) provide user-friendly portals for garages to search for and directly order from a large selection of spare parts and to obtain technical information, thereby improving the customer experience and reducing our call center costs. We believe these web portals provide us with a competitive advantage, and almost €100 million of our revenue from sales of light vehicle spare parts by both our wholly-owned distributors and affiliated independent distributors for the twelve months ended October 31, 2013 were placed through our online portal, Autossimo. We believe that the consistently high quality of services we offer drives customer loyalty and reinforces our market-leading positions.

Customized IT system

Our customized IT system plays a key role in allowing us to manage inventory levels and delivery schedules effectively. We have recently upgraded the warehouse IT management system of our light vehicle logistics platform, which we believe is best-in-class. We are also in the process of upgrading our IT systems for our sales department, and have rolled out eBook, a tablet-based program allowing our sales representatives to see previous customer orders and to make suggestions for purchases based on the customer profile. We believe that our IT systems provide us with a significant advantage and drive our ability to serve our customers on a timely and efficient basis.

As the IAM grows more complex as a result of the evolution of technical parts and an increased assortment of spare parts and equipment and tools available on the market, the ability to operate efficiently will be increasingly important in maintaining our high-quality service and our market-leading positions. As a result we have made, and expect to continue to make in the future, judicious investments in IT.

Extensive product portfolio

We believe our suppliers view us as a key channel through which they are able to supply parts for the IAM, which allows us to negotiate improved pricing and purchasing terms from a diverse range of suppliers. This is because we are one of the few distributors in our market that has the scale, warehouse logistics and distribution network and expertise to be able to acquire, stock and distribute a large number of spare parts and equipment and tools for an increasingly complex market. The number of car and truck brands and models in the car park continues to increase and, as a result, the related assortment of car and truck spare parts increases each year. We believe that our extensive product portfolio, combined with our extensive range of services, makes us attractive to the growing number of multi-brand garages who are moving away from single-brand manufacturer-specific dealers.

Improved financial performance and strong cash flow generation with a capex-light business model

During the last three fiscal years, we generated stable revenue, increased our Adjusted EBITDA margin from 2.7% to 4.5%, and maintained stable cash flow generation even during the recent economic downturn, with cash conversion (defined as the percentage of Adjusted EBITDA converted to cash) between 56.8% for the year ended December 31, 2010 and 82.4% for the year ended December 31, 2012. For the twelve months ended October 31, 2013, we achieved an Adjusted EBITDA margin of 4.7%. We have driven Adjusted EBITDA margin improvement during the last three years by implementing a series of profit improvement measures, and since these measures were implemented, our EBITDA has increased by approximately €30 million in the twelve months ended October 31, 2013 compared to the year ended December 31, 2009. These measures include: improved purchasing by our central purchasing departments and increased group-wide purchasing (including our affiliated independent distributors) to maximize rebates; reductions in the cost of local management and administration through the implementation of shared services; and reductions in transportation and logistics costs by optimizing truck routes and increasing the use of central distribution facilities. In addition, we improved our cash flows from operating activities from €15.6 million for the year ended December 31, 2010 to €39.0 million for the year ended December 31, 2012.

We operate a capex-light business model using rented facilities, and thus our operations do not require us to own or maintain extensive physical infrastructure. During the twelve months ended October 31, 2013, our capital expenditures amounted to 1.4% of our revenue and primarily consisted of IT investments, such as upgrades to our warehouse IT management system and sales IT systems, as well as expenditures for maintenance of our distribution facilities. Our low levels of capital expenditures (as a percentage of revenue) have allowed us to invest in our business, maintain our leading market positions, improve operating efficiency and achieve deleveraging through Adjusted EBITDA growth.

Experienced and successful management team with strong support from our sponsors led by TowerBrook

Our Chairman, Olivier Roux, our CEO (France), Stéphane Antiglio, and our Group CFO, Christophe Gouthière, have more than 70 years of combined experience in the distribution and light vehicle sectors and have a proven track record in developing and implementing turnaround and growth strategies. Our Chairman, Olivier Roux, is the former co-CEO of the Rhiag Group, a leading distributor in the Italian, Swiss and Eastern European light vehicle aftermarkets, and has extensive experience in the light vehicle aftermarket. Our CEO (France), Stéphane Antiglio, is the former CEO of Pomona Passion Froid, the frozen food distribution branch of Pomona. Our Group CFO, Christophe Gouthière, was previously European CFO of the Dole Group, a leading distributor of fresh fruit and vegetables. Our Chairman, CEO (France) and Group CFO, supported by an experienced management team, have successfully implemented the profit improvement plan. We believe that the success of our management team in completing our profit improvement plan and returning our business to profitable growth has laid a solid foundation for further growth and increased profitability. The support and investment experience of our sponsors led by TowerBrook supplement the leadership and knowledge of our management team.

Our strategy

The key elements of our business strategy are:

Continue to strengthen our market-leading positions

Light vehicle and truck parts

We intend to strengthen our position as a market leader in the French light vehicle IAM through organic growth. With more than 50 years of experience, we believe that we are well positioned to maximize growth opportunities in the increasingly complex light vehicle IAM. To accomplish this growth, we plan to extend our network coverage, improve our sales force performance and practices, and develop new key accounts. As part of this strategy, we are currently in exclusive negotiations regarding the Contemplated ACR Acquisition. ACR is a specialized distributor in France of spare parts for light vehicles. We also intend to expand our geographic coverage in the French truck IAM, in part by making selective, local acquisitions.

Collision parts

Revenue from our collision repair services increased at a CAGR of 16.3% between 2010 and 2012. We believe that we are well positioned to further win new contracts with insurance companies for our collision repair services and to channel this business to our branded garages due to our high levels of service and lower prices, thereby strengthening our partnerships among branded garages and insurers and increasing demand for the provision of collision repair parts from our distributors. To this end, we have expanded our call center for our collision repair services and have set up a separate sales department to target insurance clients, and we intend to further develop our collision business line's logistics platform to handle the expected increased demand for these collision repair services.

Enhance customer service

Logistics

We intend to continue to enhance the high-quality service we provide to customers by ensuring seamless execution from order to delivery and by further increasing our already extensive product assortment. We believe that the range of spare parts on offer, efficient and effective order execution, and timely product delivery will continue to drive customer loyalty. We plan to shorten the time between order placement by our customers and delivery of products by improving our logistics and distribution system, including through the recent upgrade of the warehouse IT management system of our light vehicle logistics platform. If we acquire ACR, we believe that we will benefit from ACR's experience in product return management and its specialization in deliveries within two to four hours of order.

Products

We seek to offer an even more extensive product range in the light vehicle, collision and truck sectors. We believe that this will provide us with growth potential by allowing us to capture market share for new brands and product lines. For example, we plan to further expand our portfolio by including additional product families for chassis, engines, electronics and light vehicle body parts. We also plan to further develop our private label ISOTECH product line and, if we acquire ACR, the private label product line of ACR for the light vehicle and truck aftermarket. We also plan to introduce at least one new product line every year. We believe this approach will allow us to address different types of customers with different value propositions, ultimately optimizing our market coverage. We also believe that an increase in private label product lines as a percentage of our total revenues will improve our competitiveness and margins.

Continue to optimize organizational efficiency

We intend to continue to optimize our operational processes by implementing several changes to the organization of our supply chain, inventory management, IT, real estate, human resources and logistics, which we believe will allow us to increase the quality of our operations, reduce fixed costs and increase variability in our real estate and employee cost base. We plan to further standardize our central administration and to enhance our IT support in order to implement these changes. We also plan to invest in supply chain tools and methodologies aimed at improving our product distribution framework in order to maximize customer service and inventory efficiency. By further enhancing existing software and installing new software, such as the recent upgrade of the warehouse IT management system of our light vehicle logistics platform, we will be able to expedite our logistics and optimize the processing of orders. If we acquire ACR, we also believe that such acquisition will enable us to group express deliveries and centralize product returns in a single logistics platform.

We also intend to further strengthen our Polish operations and to improve our EBITDA margins in Poland pursuant to a profit improvement plan which is currently being implemented.

Continue to improve purchasing performance

We believe that one of the most important factors in our success has been our ability to use the purchasing power derived from our size, integrated business model, specialized warehouse management and logistics systems, and partnership with AD International to obtain larger rebates and more favorable terms from suppliers than are available to other participants in the parts IAM. We intend to continue to seek to capitalize on our scale and integrated purchasing to negotiate better prices and purchase conditions with our suppliers. For example, we believe that, if we acquire ACR, the corresponding scale increase will allow us to further improve our purchasing performance. Additionally, we are focused on increasing the share of purchases made by our affiliated independent distributors through our central purchasing departments, which we expect will further increase our sales volumes and improve our purchasing power.

Increase focus on over-the-counter sales of light vehicle spare parts

Our over-the-counter sales of light vehicle spare parts in France generated approximately 20% of our revenue for the twelve months ended October 31, 2013. The French "do-it-yourself" aftermarket represents a high-margin market, and we are developing strategies, including loyalty cards and sales force training, that target these customers and allow us to effectively compete against online light vehicle spare parts retailers. As part of this strategy, we are currently in exclusive negotiations regarding the Contemplated ACR Acquisition. ACR serves online light vehicle spare parts retailers, and offers us exposure to this segment of the IAM. Whether an order is placed at one of our distribution sites or online, we believe that our timely over-the-counter product delivery provides us with a strategic advantage compared to online-only light vehicle spare parts retailers, which have inherent lead times for acquiring spare parts. We regularly assess the compatibility of our do-it-yourself sales with our existing business-to-business objectives in terms of pricing and demand elasticity, as well as the impact of our do-it-yourself sales on our business-to-business sales. ACR's primary customers are online spare parts retailers, and as a result the Contemplated ACR Acquisition would provide us with additional exposure to this market.

Our sponsors

TowerBrook

TowerBrook is an independent investment management firm that generally pursues control-oriented private equity investments in large and middle-market companies in Europe and North America in partnership with experienced management teams. Since 2001, funds managed and advised by TowerBrook have completed over 40 transactions in a broad set of industries, including AIM Aviation, Metallum Group, Monier Group, Phase Eight, PolymerLatex and Auto Europe. TowerBrook has offices in New York and London.

Investcorp

Investcorp is a leading provider of alternative investment products sourced in North America, Europe, the Middle East, North Africa and the Gulf Cooperation Council region, serving institutions and high net worth individuals as well as institutional investors. Investcorp has offices in New York, London, Bahrain, Riyadh and Abu Dhabi. Investcorp's private equity portfolio includes companies such as Asiakastieto, Berlin Packaging, CEME, Icopal, Esmalglass and Tyrrells.

For more information, see "*Principal shareholders*."

Recent developments

Rougon Queyrel acquisition

On December 30, 2013, we acquired all of the equity interests of Rougon Queyrel, a distributor of spare parts for light vehicles in southeastern France. For the year ended December 31, 2012, Rougon Queyrel generated revenue of €14.5 million and EBITDA of €1.1 million.

Contemplated ACR Acquisition

Following the conclusion of a fulsome due diligence process, the Parent Guarantor has been granted a period of exclusivity to negotiate with ACR's shareholders with respect to a potential acquisition of ACR and its subsidiary by Autodistribution S.A. The exclusive negotiations are on the basis of an enterprise value for ACR of between €55 and €65 million. Autodistribution S.A. and ACR have agreed to initiate the works council consultation processes to proceed with the Contemplated ACR Acquisition. Under these consultation processes, the applicable works councils will have a period of time to review and give their opinion on the Contemplated ACR Acquisition, but are not required to approve, and do not have the right to veto, the Contemplated ACR Acquisition. These works council consultation processes are required to be completed prior to entry into any definitive agreement in respect of the Contemplated ACR Acquisition. We expect these consultation processes to take at least 15 days from January 14, 2014, the date they were initiated.

Following the completion of the works council consultation processes, we expect to effect the Contemplated ACR Acquisition pursuant to a stock purchase agreement (the "ACR Acquisition Agreement"), under which Autodistribution S.A. would acquire substantially all of the issued and outstanding capital stock of ACR. We also expect that consummation of the Contemplated ACR Acquisition pursuant to any ACR Acquisition Agreement would be subject to relevant merger control approvals and clearances and the absence of the occurrence of a material adverse change regarding the operations of ACR's central platform, and that if the Contemplated ACR Acquisition were not consummated by May 31, 2014, the ACR Acquisition Agreement will be terminable by either party thereto. We expect no further material due diligence to be performed on ACR as we have satisfied the principal elements of our due diligence requirements.

We expect to finance the Contemplated ACR Acquisition either using (i) a combination of (A) €40.0 million of proceeds of this Offering placed into escrow pending such Contemplated ACR Acquisition and (B) cash on our balance sheet (which may include proceeds from this Offering that are not placed into escrow) or (ii) proceeds of a new contribution of equity to Autodistribution S.A. by our sponsors. However, if (a) the Contemplated ACR Acquisition is not completed by May 31, 2014, (b) in the reasonable judgment of the Issuer, the Contemplated ACR Acquisition will not be completed by May 31, 2014, (c) any ACR Acquisition Agreement is terminated at any time prior to May 31, 2014, (d) the Contemplated ACR Acquisition is completed with cash provided by proceeds from a new equity contribution made available by our sponsors in lieu of using the proceeds of this Offering placed into escrow, (e) TowerBrook ceases to beneficially own and control a majority of the issued and outstanding capital stock of the Issuer or (f) certain insolvency events occur, Notes in an aggregate principal amount of €40.0 million will be subject to a special mandatory redemption as described under "*Description of the Senior Secured Notes—Escrow of proceeds, Special Mandatory Redemption*."

ACR is a distributor of spare parts for light vehicles in France, serving a diverse customer base including auto centers, fast-fitters and online spare parts distributors. ACR specializes in braking systems, rotating electrics (alternators and starters), engine environment (filters and exhausts) and clutches and transmissions. For the twelve months ended October 31, 2013, ACR generated revenue of €68.9 million and adjusted EBITDA of €6.6 million.

We believe that the acquisition of ACR would allow us to grow our market share in the French light vehicle aftermarket because we would benefit from ACR's logistics and distribution platform, thereby further reducing our delivery times. We would also leverage the strong and diverse customer base of ACR, which includes the fast-growing online spare parts distribution segment, and to benefit from ACR's expertise in product return management and its specialization in deliveries within two to four hours of order. In addition, the Contemplated ACR Acquisition would allow us to realize further procurement, logistics and distribution savings and cost efficiencies, including €6.0 million of cost savings per year identified by Kepler S.A.S., a consultant, resulting in large part from having ACR purchase spare parts under our existing arrangements with our suppliers, which provide for more advantageous terms. These cost savings are derived from higher rebates from our suppliers, and are set forth in our contracts with our suppliers. Therefore if we complete the Contemplated ACR Acquisition, these cost savings are expected to come into effect immediately upon the acquisition of ACR without additional cost. See "*Risk factors—Risks related to our business—We may face significant challenges in integrating our recently acquired businesses and in integrating any future potential acquisition, and may be unable to realize the expected savings from these businesses and any other cost improvement measures we have taken*."

Current trading

Financial statements for the year ended December 31, 2013 are not yet finalized, and our year-end audit is not yet complete. The information below is based on internal management accounts and is subject to change as it is reviewed by us and our auditors.

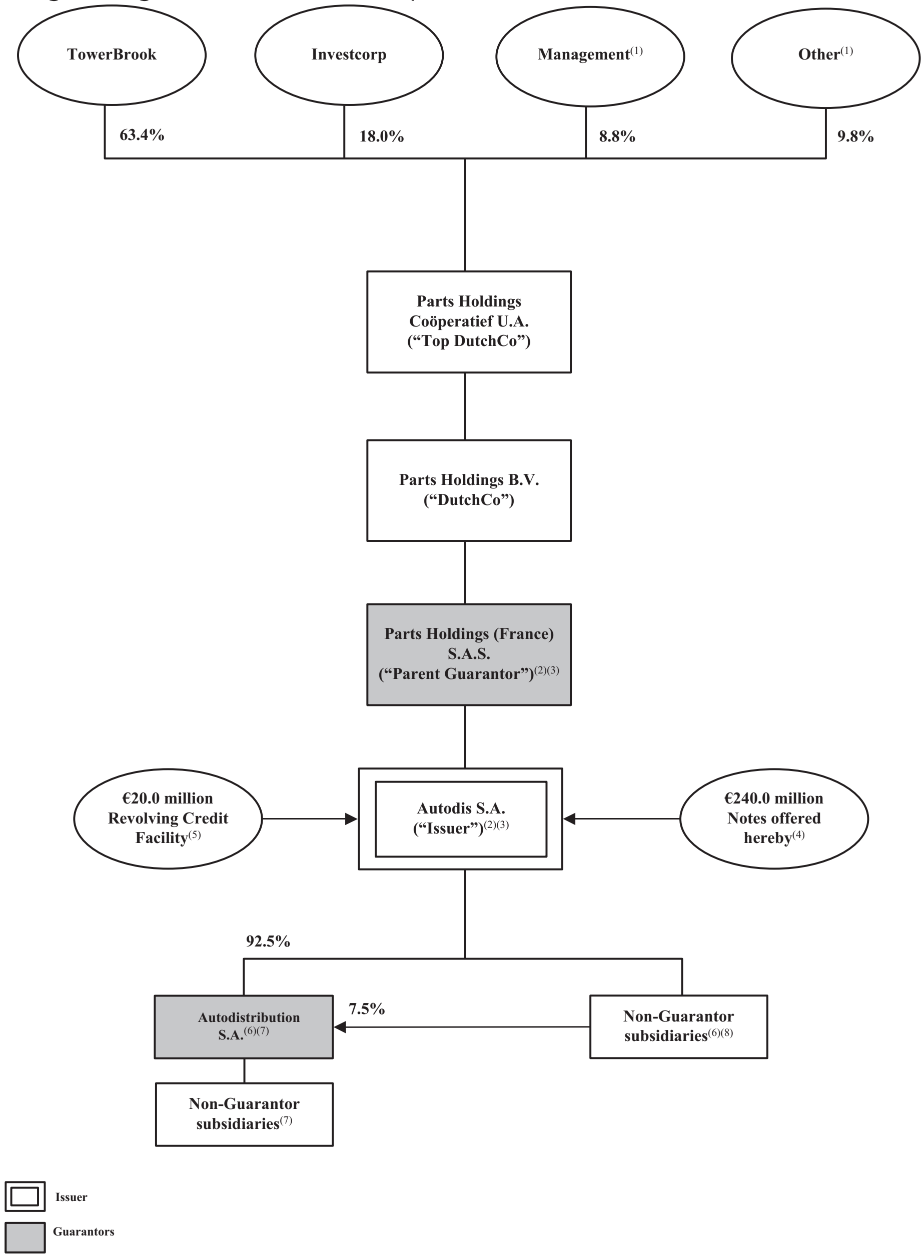
For the year ended December 31, 2013, we currently expect to report revenue which reflects a significant increase compared to revenue for the year ended December 31, 2012. The increase in revenue was primarily due to acquisitions made in 2013 and the full year impact of acquisitions made in 2012.

For the month ended November 30, 2013, our revenue amounted to €95.9 million, which reflects an increase of 1.5% compared to the revenue for the month ended November 30, 2012, and we generated EBITDA of €3.7 million, which reflects an increase of 17.7% compared to EBITDA for the month ended November 30, 2012. The increase in revenue was primarily due to the acquisitions made in 2012 and 2013. Our EBITDA increased primarily as a result of increased volume and supplier rebates, partly offset by customer rebates in all our business lines, as well as strong performance in our operations in Poland.

This information has been prepared by, and is the responsibility of, our management, and has not been audited, reviewed or verified; no procedures have been completed by our auditors with respect thereto, and you should not place undue reliance thereon. This information is subject to confirmation in our audited consolidated financial statements and report for the year ended December 31, 2013.

Summary corporate and financing structure

The following diagram presents our simplified corporate structure and principal outstanding financing arrangements after giving effect to the Refinancing. Percentages shown in the diagram below refer to percentage ownership. All entities shown below are 100% owned (ignoring any de minimis shareholdings) unless otherwise indicated. For more information, see "*Description of certain financing arrangements*" and "*Description of the Senior Secured Notes*."



(1) Certain current and former members of our management hold, directly and indirectly, membership entitlements in Top DutchCo. Other direct or indirect members of Top DutchCo include several members of the Union of Independent Distributors in Autodistribution ("UDIAD") and several former lenders pursuant to a debt-for-membership entitlement swap entered into pursuant to our restructuring in 2009. See "*Principal shareholders*."

(2) On April 21, 2009, the Parent Guarantor issued 25,500,000 subordinated contingent value bonds (the "Contingent Value Instruments"). The Contingent Value Instruments do not bear interest and will expire on April 21, 2017. The Contingent Value Instruments do not have a maturity or principal amount due, but are only entitled to receive an amount up to ¸€25.5 million equal to a portion of any distribution to TowerBrook, Investcorp and their respective affiliates made prior to their expiration date, to the extent TowerBrook, Investcorp and their respective affiliates have received more than three times their aggregate investment between the issue date of the Contingent Value Instruments and the date of such distribution. The Contingent Value Instruments will only be fully payable in the event the aggregate distributions to TowerBrook and Investcorp total €577.7 million. The Contingent Value Instruments will terminate upon their expiration date and certain insolvency events. The terms of the Contingent Value Instruments do not restrict the issue of the Notes nor their use to repay the Existing Senior Facilities, the EP Bonds and the Hedge Promissory Note. See "*Description of certain financing arrangements—Contingent Value Instruments*."

(3) Between February 18, 2009 and April 6, 2009, the Issuer and the Parent Guarantor were subject to safeguard proceedings (*procédure de sauvegarde*) opened by the Commercial Court of Evry. Safeguard proceedings in France are a commercial court-led process opened on a voluntary basis by a company in which such company seeks court protection from creditors in order to achieve a restructuring plan. In February 2009, before the opening of our safeguard proceedings, we signed a restructuring agreement with our creditors approving our debt restructuring and our equity-financed majority acquisition by TowerBrook. The safeguard proceedings allowed the Issuer and the Parent Guarantor to confirm and implement the restructuring plan contemplated in the restructuring agreement, thereby reducing the impact of the restructuring on our primary operating company Autodistribution S.A., its central purchasing departments, its subsidiaries and its network, which were not materially affected by this procedure and continued to operate in the ordinary course of business. On April 6, 2009, the Commercial Court of Evry adopted safeguard plans for the Issuer and the Parent Guarantor, thereby ending the safeguard proceedings in respect of the Issuer and the Parent Guarantor. Since then, the Issuer and the Parent Guarantor have been operating outside safeguard proceedings and their relationships with their creditors, which debt was restructured within the safeguard proceedings, are governed by their respective safeguard plans. As of the Issue Date: (i) at the level of the Issuer, when the Existing Senior Facilities and Hedge Promissory Note are fully repaid, the Issuer will have repaid all the restructured debt governed by the existing safeguard plan, as permitted by its safeguard plan; and (ii) at the level of the Parent Guarantor, when the EP Bonds are fully repaid, as permitted by its safeguard plan, the Parent Guarantor will remain subject to the safeguard plan only for the purpose of the Contingent Value Instruments, the terms of which will remain applicable in full. The Parent Guarantor safeguard plan will terminate on April 6, 2016 or following the expiration or repayment of the Contingent Value Instruments, if earlier.

(4) On the Issue Date, the Notes will be senior secured obligations of the Issuer and guaranteed on a senior secured basis by the Parent Guarantor. No later than the date falling 60 days after the Issue Date (such date, the "Additional Guarantor Accession Date"), the Notes will be guaranteed (the "Subsidiary Guarantee" and together with the Parent Guarantee, the "Guarantees") on a senior secured basis by Autodistribution S.A. As of and for the twelve months ended October 31, 2013, the Issuer and the Guarantors (excluding equity investments in wholly-owned subsidiaries and intercompany receivables and loans) accounted for 46.5% of the consolidated total assets, 18.5% of the consolidated revenue and 42.3% of the consolidated EBITDA of the Parent Guarantor. The Guarantees will be subject to the terms of the Intercreditor Agreement, certain limitations under local law and other contractual and legal limitations. By virtue of these limitations, a Guarantor's obligation under its Guarantee could be significantly less than amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Guarantee. In particular, the Guarantee of Autodistribution S.A. is expected to be limited in value to an amount not greater than the amount of the loan(s) of the proceeds of this Offering made to and used by Autodistribution S.A., which is expected to be between approximately €66 million and €76 million if the Completion Date occurs, or €13.6 million otherwise, as described in this Offering Memorandum under "*Use of proceeds.*" Other indebtedness of the relevant Guarantor may not be similarly limited. See "*Risk factors—Risks related to our indebtedness and the Notes—Corporate benefit, financial assistance laws and other limitations on the Guarantees or the Dutch Security Providers may adversely affect the validity and enforceability of the Guarantees of the Notes or security interests in the Collateral*" and "*Risk factors—Risks related to our indebtedness and the Notes—The insolvency and administrative laws of France and the Netherlands, as the case may be, may not be favorable to creditors, including investors in the Notes, and may limit your ability to enforce your rights under the Notes, the Guarantees or the security interests in the Collateral.*" See "*Description of certain financing arrangements—Intercreditor Agreement*" and "*Description of the Senior Secured Notes—Notes Guarantees.*"

On the Issue Date, the Notes will be secured by (i) a first-priority pledge of the capital stock of DutchCo, (ii) a first-priority pledge of the capital stock, bank accounts and intragroup receivables of the Parent Guarantor, (iii) a first-priority pledge of the capital stock of the Issuer and (iv) first-priority security interests over substantially all of the assets of the Issuer, including a first-priority pledge of the capital stock of Autodistribution S.A., Magenta Auto Pièces S.A. and SDFM S.A. held by the Issuer, a first-priority pledge over its bank accounts and a first-priority pledge over its intragroup receivables (collectively, the "Issue Date Collateral"). On the Additional Guarantor Accession Date, the Notes will be secured by a first-priority pledge of (i) the capital stock of Commerce Rechange Automobiles S.A.S., Cofirhad S.A.S., Groupement Autodistribution Centre Auvergne "GADCA" S.A.S. and AD Grand Ouest S.A.S. held by Autodistribution S.A., (ii) Autodistribution S.A.'s material bank accounts and (iii) Autodistribution S.A.'s intragroup receivables (collectively, the "Post-Issue Date Collateral"). In addition, if the Contemplated ACR Acquisition is completed, then no later than 90 days following the Completion Date, the Notes will be secured by a first-priority pledge of the issued capital stock of ACR (the "Post-Completion Date Collateral" and together with the Issue Date Collateral and the Post-Issue Date Collateral, the "Collateral"). The security interests in the Collateral will be limited as necessary to recognize certain limitations arising under or imposed by local law and defenses generally available to providers of Collateral (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose or benefit, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law. For a brief description of such limitations, see "*Limitations on validity and enforceability of the Guarantees and the security interests.*" The Revolving Credit Facility and certain hedging obligations will be guaranteed on a senior secured basis by the Parent Guarantor and will be secured by first-priority security interests over, among others, the same assets that secure the Notes (the "Collateral") ranking *pari passu* with the security interests securing the Notes and will also be guaranteed by, and benefit from security over the assets of, certain of our subsidiaries that do not guarantee or provide security in favor of the Notes.

(5) In connection with this Offering, we will enter into the Revolving Credit Facility Agreement, which will provide for drawings of up to €20.0 million, all of which will be available but undrawn on the Issue Date. Pursuant to the terms of the Intercreditor Agreement, in the event of an enforcement of the Collateral, the holders of the Notes will receive proceeds from the Collateral only after lenders under the Revolving Credit Facility Agreement, creditors of any future indebtedness incurred which is permitted under the Indenture and the Intercreditor Agreement to rank *pari passu* on the enforcement of the Collateral with the lenders under the Revolving Credit Facility and the counterparties to certain hedging arrangements have been repaid in full. Any remaining proceeds received upon any enforcement action over any Collateral will be applied pro rata to the repayment of all obligations under the Indenture and any other senior secured indebtedness of the Issuer and the Parent Guarantor permitted to be incurred and secured by the Collateral pursuant to the Indenture and the Intercreditor Agreement. See "*Description of certain financing arrangements—Intercreditor Agreement.*"

(6) Pending the potential completion of the Contemplated ACR Acquisition by Autodistribution S.A., the Issuer will direct the Initial Purchasers to deposit €40.0 million of the proceeds of this Offering into an escrow account. The escrow account will be controlled by the Escrow Agent and pledged on a first-ranking basis in favor of the Trustee on behalf of the holders of the Notes. The release of the escrowed proceeds will be subject to the satisfaction of certain conditions. The Escrow Agreement will provide that the escrowed proceeds of this Offering will be released upon the Completion Date, to the extent such amounts are used to fund the Contemplated ACR Acquisition. If the Contemplated ACR Acquisition is not completed on or prior to May 31, 2014, if the escrowed proceeds are not used to fund the Contemplated ACR Acquisition or if certain other events occur, then €40.0 million in aggregate principal amount of the Notes will be required to be redeemed pursuant to a special mandatory redemption at a price equal to 100% of the aggregate issue price of such Notes, plus accrued and unpaid interest and additional amounts, if any, from the Issue Date to the date of the special mandatory redemption. See "*Description of the Senior Secured Notes—Escrow of proceeds; Special Mandatory Redemption*."

(7) Autodistribution and several of our other subsidiaries have entered into various factoring, working capital and bilateral lending facilities with an aggregate principal amount of €23.2 million outstanding as of October 31, 2013. These factoring arrangements and the working capital and bilateral lending facilities will remain in place after the Issue Date. See "*Description of certain financing arrangements—Other financing arrangements.*"

(8) Magenta Auto Pièces S.A. and SDFM S.A. collectively hold approximately 7.5% of the outstanding share capital of Autodistribution S.A., and their capital stock will be pledged by the Issuer on the Issue Date to secure the Notes, but they will not pledge the capital stock of Autodistribution S.A. held by them to secure the Notes.

The Offering

The following summary of this Offering contains basic information about the Notes, the Guarantees and the security. It is not intended to be complete and is subject to important limitations and exceptions. For a more complete understanding of the Notes and the Guarantees, including certain definitions of terms used in this summary, see "*Description of the Senior Secured Notes*."

Issuer	Autodis S.A.
Notes Offered	€240.0 million aggregate principal amount of % Notes due 2019.
Issue Date	, 2014.
Issue Price	%, plus accrued and unpaid interest from the Issue Date.
Maturity Date	, 2019.
Interest Rate	% per annum.
Interest Payment Dates	Interest on the Notes is payable semi-annually in arrears on and of each year, commencing on , 2014. Interest will accrue from the Issue Date of the Notes.
Form and Denomination	The Issuer will issue the Notes on the Issue Date in global registered form in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof maintained in book-entry form. Notes in denominations of less than €100,000 will not be available.
Ranking of the Notes	The Notes will:

- be general obligations of the Issuer, secured as set forth under "*—Security*";
- rank *pari passu* in right of payment with any existing or future obligation of the Issuer that is not subordinated in right of payment to the Notes, including the obligations of the Issuer under the Revolving Credit Facility and certain hedging obligations;
- rank senior in right of payment to any existing or future obligation of the Issuer that is expressly subordinated in right of payment to the Notes;
- be effectively subordinated to any existing or future obligation of the Issuer and its subsidiaries, including obligations under the Revolving Credit Facility and certain hedging obligations secured by property and assets of the subsidiaries of the Issuer that do not secure the Notes, that is secured by property and assets that do not secure the Notes, to the extent of the value of the property and assets securing such obligation;
- be guaranteed by the Parent Guarantor and, upon the Additional Guarantor Accession Date, Autodistribution S.A.; and
- be structurally subordinated to any existing or future obligation of the Issuer's subsidiaries that are not Guarantors, including obligations to trade

creditors and, to the extent drawings are borrowed by such subsidiaries, obligations under the Revolving Credit Facility.

Guarantees . . . . As of the Issue Date, the Issuer's obligations under the Notes and the Indenture will be guaranteed by the Parent Guarantor. On the Additional Guarantor Accession Date, the Notes will be guaranteed on a senior secured basis by Autodistribution S.A.

Ranking of the Guarantees . . . . The Guarantees will:

- be general obligations of the Guarantors, secured as set forth under "*Description of the Senior Secured Notes—Security*";
- rank *pari passu* in right of payment with any existing or future obligation of the respective Guarantor that is not subordinated in right of payment to its Guarantee, including the obligations of the Guarantors under the Revolving Credit Facility and certain hedging obligations;
- rank senior in right of payment to any existing or future obligation of the respective Guarantor that is expressly subordinated in right of payment to its Guarantee; and
- be effectively subordinated to any existing or future obligation of each Guarantor and its subsidiaries, including obligations under the Revolving Credit Facility and certain hedging obligations secured by property and assets of the subsidiaries of the Guarantors that do not secure the Notes, that is secured by property and assets that do not secure the Guarantees, to the extent of the value of the property and assets securing such obligation.

As of and for the twelve months ended October 31, 2013, the Issuer and the Guarantors (excluding equity investments in wholly-owned subsidiaries and intercompany receivables and loans) accounted for 46.5% of the consolidated total assets, 18.5% of the consolidated revenue and 42.3% of the consolidated EBITDA of the Parent Guarantor.

The amount enforceable under the Guarantees may be limited and the validity and enforceability of the Guarantees will be subject to the limitations described in "*Limitations on validity and enforceability of the Guarantees and the security interests*." By virtue of these limitations, a Guarantor's obligation under its Guarantee could be significantly less than amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Guarantee. In particular, the Guarantee of Autodistribution S.A. is expected to be limited in value to an amount not greater than the amount of the loan(s) of the proceeds of this Offering made to and used by Autodistribution S.A., which is expected to be between approximately €66 million and €76 million if the Completion Date occurs, or €13.6 million otherwise, as described in this Offering Memorandum under "*Use of proceeds*." Other indebtedness of the relevant Guarantor may not be similarly limited. See "*Risk factors—Risks related to our indebtedness and the Notes—Corporate benefit, financial assistance laws and other limitations on the Guarantees or the Dutch Security Providers may adversely affect the validity and enforceability of the Guarantees of the Notes or security interests in the Collateral*" and "*Risk factors—Risks related to our indebtedness and the Notes—The insolvency and administrative laws of France and the Netherlands, as the case may be, may not be favorable to creditors, including investors in the Notes, and may limit your ability to enforce your rights under the Notes, the Guarantees or the security interests in the Collateral*."

The Guarantees will also be subject to the terms of the Intercreditor Agreement. Under the terms of the Intercreditor Agreement, recoveries in respect of the Guarantees will be required to be applied to repay indebtedness outstanding under the Revolving Credit Facility and certain future indebtedness and hedging obligations permitted under the terms of the Indenture and the Intercreditor Agreement to rank *pari passu* with indebtedness under the Revolving Credit Facility in priority to the Notes and the Guarantees in respect of the Notes. See "*Description of certain financing arrangements—Intercreditor Agreement*." The Guarantees will be subject to release under certain circumstances. See "*Description of the Senior Secured Notes—Notes Guarantees—Notes Guarantees release*."

Security . . . . On the Issue Date, the Notes will be secured by (i) a first-priority pledge of the capital stock of DutchCo, (ii) a first-priority pledge of the capital stock, bank accounts and intragroup receivables of the Parent Guarantor, (iii) a first-priority pledge of the capital stock of the Issuer and (iv) first-priority security interests over substantially all of the assets of the Issuer, including a first-priority pledge of the capital stock of Autodistribution S.A., Magenta Auto Pièces S.A. and SDFM S.A. held by the Issuer, a pledge over its bank accounts and a first-priority pledge over its intragroup receivables.

On the Additional Guarantor Accession Date, the Notes will be secured by a first-priority pledge of (i) the capital stock of Commerce Rechange Automobiles S.A.S., Cofirhad S.A.S., Groupement Autodistribution Centre Auvergne "GADCA" S.A.S. and AD Grand Ouest S.A.S. held by Autodistribution S.A., (ii) Autodistribution S.A.'s material bank accounts and (iii) Autodistribution S.A.'s intragroup receivables (collectively, the "Post-Issue Date Collateral").

In addition, if the Contemplated ACR Acquisition is completed, then no later than 90 days following the Completion Date, the Notes will be secured by a first-

	priority pledge of the issued capital stock of ACR (the "Post-Completion Date Collateral" and together with the Issue Date Collateral and the Post-Issue Date Collateral, the "Collateral"). Amounts held in escrow pending the potential completion of the Contemplated ACR Acquisition will also be pledged on a first-ranking basis in favor of the Trustee on behalf of holders of the Notes. See "*Description of the Senior Secured Notes—Security*." The Revolving Credit Facility and certain hedging obligations (the "Super Senior Obligations") will be secured by first-priority security interests over, among others, Collateral, ranking *pari passu* with the security interests securing the Notes. The security interests in the Collateral will be limited as necessary to recognize certain limitations arising under or imposed by local law and defenses generally available to providers of Collateral (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose or benefit, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law. For a brief description of such limitations, see "*Limitations on validity and enforceability of the Guarantees and the security interests*."
Intercreditor Agreement	Pursuant to the Intercreditor Agreement, the first-priority security interests securing the Notes will be deemed to rank equally with the security interests that secure (i) obligations under the Revolving Credit Facility, (ii) certain obligations under hedging arrangements and (iii) certain other future indebtedness permitted to be incurred under the Indenture (including to the extent such indebtedness shares in these security interests, future subordinated notes). Such security interests are, or will be, evidenced by security documents for the benefit of (whether directly or through the Security Agent) the holders of the Notes, the lenders under the Revolving Credit Facility and the holders of certain other future senior or subordinated indebtedness and obligations. Under the terms of the Intercreditor Agreement, in the event of acceleration of the Revolving Credit Facility or the Notes, amounts recovered in respect of the Notes, including from the enforcement of the Guarantees or the Collateral, will be required to repay indebtedness in respect of the Revolving Credit Facility, certain future indebtedness permitted under the terms of the Indenture and the Intercreditor Agreement to rank *pari passu* with the Revolving Credit Facility and certain hedging obligations in priority to the Notes, following the payment of fees and expenses of the agent under the Revolving Credit Facility, the Trustee and the Security Agent (and any receiver or delegate) and any fees and expenses of any other creditor representative of future senior or subordinated indebtedness permitted under the terms of the Indenture to benefit from such security interests.

	The Security Agent may refrain from enforcing the security unless instructed by the agent under the Revolving Credit Facility, the creditor representative for any other credit facility ranking *pari passu* with the Revolving Credit Facility or the Trustee for the Notes, (as instructed by holders of a majority in principal amount of the Notes) or any other creditor representative of future senior or subordinated indebtedness permitted under the terms of the Indenture to benefit from such security interests in accordance with the provisions of the Intercreditor Agreement. The agent under the Revolving Credit Facility, the creditor representative for any other credit facility ranking *pari passu* with the Revolving Credit Facility or the Trustee (as instructed by holders of a majority in principal amount of the Notes) or any other creditor representative of future senior or subordinated indebtedness permitted under the terms of the Indenture to benefit from such security interests is entitled to instruct the Security Agent to enforce the security. In the event of conflicting instructions, the Intercreditor Agreement contains provisions as to which set of instructions will prevail. See "*Description of certain financing arrangements—Intercreditor Agreement.*"
Optional redemption	The Issuer may redeem all or part of the Notes on or after , 2016 at the redemption prices described under "*Description of the Senior Secured Notes—Optional redemption*," plus accrued and unpaid interest and additional amounts, if any, to the date of redemption. In addition, prior to , 2016, the Issuer may redeem all or part of the Notes by paying a "make whole" premium as described under "*Description of the Senior Secured Notes—Optional redemption*." Prior to , 2016, the Issuer may on one or more occasions use the proceeds of specified equity offerings to redeem up to 40% of the principal amount of the Notes at a redemption price equal to % of the principal amount of the Notes, plus accrued and unpaid interest and additional amounts, if any, up to the redemption date, *provided* that at least 60% of the principal amount of the Notes remains outstanding after the redemption. Prior to , 2017, the Issuer may redeem up to 10% of the aggregate principal amount of the Notes originally issued in each calendar year, commencing on the Issue Date, at a redemption price equal to 103% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, up to the redemption date.
Escrow arrangements; Special Mandatory Redemption	Pending the Completion Date of the Contemplated ACR Acquisition, €40.0 million in proceeds of this Offering will be deposited in a segregated escrow account in the name of the Issuer but controlled by the Escrow Agent, and pledged on a first-ranking basis in favor of, the Trustee on behalf of the holders

	of the Notes. The Escrow Agreement will provide that upon completion of the Contemplated ACR Acquisition, upon delivery to the Trustee and the Escrow Agent of an officer's certificate stating that the conditions to the release of the proceeds from escrow are satisfied, and upon completion of certain other customary conditions, the escrowed proceeds will be released to the Issuer and utilized to fund the Contemplated ACR Acquisition. €40.0 million of the proceeds of this Offering will be subject to a special mandatory redemption if (a) the Contemplated ACR Acquisition is not completed by May 31, 2014, (b) in the reasonable judgment of the Issuer, the Contemplated ACR Acquisition will not be completed by May 31, 2014, (c) any ACR Acquisition Agreement is terminated at any time prior to May 31, 2014, (d) the Contemplated ACR Acquisition is completed with cash provided by proceeds from a new equity contribution made available by our sponsors in lieu of using the proceeds of the bond offering placed into escrow, (e) TowerBrook ceases to beneficially own and control a majority of the issued and outstanding capital stock of the Issuer or (f) certain insolvency events occur. In the case of a special mandatory redemption, the Issuer will redeem the applicable amount of the Notes at a price equal to 100% of the issue price of such aggregate principal amount of Notes, plus accrued and unpaid interest and additional amounts, if any, from the Issue Date to the date of the special mandatory redemption. See "*Description of the Senior Secured Notes—Escrow of proceeds; Special Mandatory Redemption*."
Additional Amounts; Tax Redemption . .	All payments made by or on behalf of the Issuer or a Guarantor in respect of the Notes or a Guarantee will be made without withholding or deduction for any taxes in any relevant taxing jurisdiction, except to the extent required by law. If any such withholding or deduction is required by law, subject to certain exceptions and limitations, the Issuer or the relevant Guarantor, as applicable, will pay additional amounts so that the net amount received is no less than that which would have been received in the absence of such withholding or deduction. See "*Description of the Senior Secured Notes—Withholding taxes*." The Issuer may redeem the Notes in whole, but not in part, at any time, upon giving prior notice, if, as a result of certain changes in tax law the Issuer or the relevant Guarantor is or would be required to pay additional amounts with respect to the Notes. If the Issuer decides to exercise such redemption right, it must pay a price equal to 100% of the principal amount of the Notes plus interest and additional amounts, if any, to the date of redemption. See "*Description of the Senior Secured Notes—Redemption for taxation reasons*."
Change of Control	If the Issuer experiences a change of control, it will be required to offer to repurchase the Notes at 101% of

	their principal amount plus accrued and unpaid interest and additional amounts, if any, to the date of such repurchase. However, a change of control will not be deemed to have occurred if certain consolidated leverage ratios are not exceeded in connection with such event. See "*Description of the Senior Secured Notes—Change of Control*."
Certain covenants	The Issuer will issue the Notes under the Indenture. The Indenture will limit, among other things, the ability of the Parent Guarantor, the Dutch Security Providers, the Issuer and the restricted subsidiaries of the Issuer to: • incur or guarantee additional indebtedness and issue certain preferred stock; • pay dividends, redeem capital stock and make certain investments; • make certain other restricted payments; • create or permit to exist certain security interests; • enter into sale and leaseback transactions; • impose restrictions on the ability of our subsidiaries to pay dividends or make other payments to us; • transfer, lease or sell certain assets, including subsidiary stock; • merge or consolidate with other entities; • enter into certain transactions with affiliates; • impair the security interests for the benefit of the holders of the Notes; and • change its Dutch holding company structure. Each of these covenants is subject to a number of significant exceptions and qualifications. See "*Description of the Senior Secured Notes—Certain covenants*" and the related definitions. Certain of the covenants will be suspended if and for as long as we achieve investment-grade ratings. See "*Description of the Senior Secured Notes—Certain covenants—Suspension of covenants on achievement of Investment Grade Status.*"
Use of proceeds	We intend to use the proceeds from this Offering to prepay in full the Existing Senior Facilities, to repay the Hedge Promissory Note, to prepay the EP Bonds, to repay loans from our shareholders, to repay certain local lines of credit, to pay, to the extent the Contemplated ACR Acquisition is completed and funded with proceeds from the Notes, the purchase price in the Contemplated ACR Acquisition and repay certain indebtedness of ACR, to pay estimated fees and expenses for the Transactions, and, to the extent any proceeds remain, for general corporate purposes. See "*Use of proceeds.*"
Transfer restrictions	The Notes and the Guarantees have not been, and will not be, registered under U.S. federal or state or any foreign security laws and are subject to restrictions on resales. See "*Important information about this*

	Offering Memorandum," "*Transfer restrictions*" and "*Plan of distribution*." We are under no obligation, and we do not intend, to register the Notes or the Guarantees in the United States under the U.S. Securities Act.
Absence of a Public Market for the Notes	The Notes will be new securities for which there is currently no market. Although the Initial Purchasers have informed us that they intend to make a market in the Notes, they are not obligated to do so and they may discontinue market-making at any time without notice. Accordingly, we cannot assure you that a liquid market for the Notes will develop or be maintained.
Listing	Application will be made to list the Notes on the Official List of the Irish Stock Exchange and to admit them for trading on the Global Exchange Market thereof.
Trustee	U.S. Bank Trustees Limited.
Registrar	Elavon Financial Services Limited.
Paying Agent, Transfer Agent and Escrow Agent	Elavon Financial Services Limited, UK Branch.
Listing Agent	Davy.
Security Agent	U.S. Bank Trustees Limited.
Governing Law of the Indenture, the Notes and the Guarantees	The State of New York.
Governing law of the Intercreditor Agreement and the Security Documents	England and Wales, France and the Netherlands.
Risk factors	Investing in the Notes involves substantial risks. Prospective investors should refer to "*Risk factors*" beginning on page 28 of this Offering Memorandum for a discussion of certain factors that they should carefully consider before deciding to invest in the Notes.

Summary consolidated financial and other information

The following tables set forth our summary consolidated financial information and other data for the periods ended and as of the dates indicated below. Our summary consolidated financial information as of and for the years ended December 31, 2010, 2011 and 2012 has been derived from the audited consolidated financial statements of the Parent Guarantor as of and for the years ended December 31, 2011 and 2012, an English translation of which is included elsewhere in this Offering Memorandum.

Our summary consolidated interim financial information as of and for the ten months ended October 31, 2012 and 2013 has been derived from the unaudited interim condensed consolidated financial statements of the Parent Guarantor as of and for the ten months ended October 31, 2013, with corresponding income statement and cash flow data for the ten months ended October 31, 2012, which are included elsewhere in this Offering Memorandum. The historical unaudited financial information for the ten months ended October 31, 2012 and 2013 has been prepared using the same accounting principles as the financial information as of and for the year ended December 31, 2012 and contains all adjustments that management considers necessary for a fair presentation of the financial position and results of operations for the periods presented. The consolidated financial statements of the Parent Guarantor included in this Offering Memorandum have been prepared in accordance with IFRS.

The summary unaudited consolidated financial information for the twelve months ended October 31, 2013 has been derived by adding the consolidated financial information of the Parent Guarantor as of and for the year ended December 31, 2012 to the consolidated financial information of the Parent Guarantor for the ten months ended October 31, 2013 and subtracting the consolidated financial information of the Parent Guarantor for the ten months ended October 31, 2012. The financial information for the twelve months ended October 31, 2013 has been prepared for illustrative purposes only and is not necessarily representative of our results of operations for any future period or our financial condition at any future date. This information has not been audited or reviewed by any auditors.

Our income statement as of and for the year ended December 31, 2011 has been restated in the consolidated financial statements of the Parent Guarantor as of and for the year ended December 31, 2012 in order to reclassify our Italian operations within discontinued operations (see note 5 to the consolidated financial statements of the Parent Guarantor as of and for the year ended December 31, 2012, an English translation of which is included elsewhere in this Offering Memorandum), and the following table sets forth these results of operations on a restated basis.

We have also presented summary unaudited pro forma consolidated financial and other data prepared to give effect to the acquisition of Rougon Queyrel and the Contemplated ACR Acquisition as if they had occurred on November 1, 2012. The pro forma adjustments are based upon available information and certain assumptions that we believe are reasonable. Only a portion of the Notes issued in this Offering (€40.0 million) are contingent upon the completion of the Contemplated ACR Acquisition, and if we do not complete the Contemplated ACR Acquisition we will be required to repay €40.0 million of the Notes but will not be required to redeem the rest of the Notes. The summary unaudited pro forma consolidated financial and other data are for informational purposes only and do not purport to represent what our results of operations or other financial information actually would have been if the Contemplated ACR Acquisition had occurred at any date, and such data do not purport to project the results of operations for any future period.

The following information should be read in conjunction with "*Management's discussion and analysis of financial condition and results of operations*" and our consolidated financial statements and the related notes thereto, an English translation of which is included elsewhere in this Offering Memorandum. Our historical results do not necessarily indicate results that may be expected for any future period.

Summary consolidated income statement

(€ in millions)	Years ended December 31, 2010	2011	2012	Ten months ended October 31, 2012	2013	Twelve months ended October 31, 2013
Revenue	**1,090.7**	**1,085.4**	**1,084.3**	**907.3**	**952.2**	**1,129.2**
Cost of goods for sale	(712.5)	(702.4)	(689.9)	(575.2)	(594.6)	(709.3)
Personnel costs	(223.7)	(219.2)	(223.7)	(183.2)	(197.9)	(238.4)
Other purchases and external expenses	(122.9)	(120.7)	(121.9)	(101.9)	(104.5)	(124.5)
Taxes	(8.4)	(6.6)	(8.2)	(7.1)	(8.0)	(9.1)
Other operating income and expenses	2.3	2.7	4.4	2.7	1.3	3.0
EBITDA	**25.5**	**39.2**	**45.0**	**42.6**	**48.5**	**50.9**
Depreciation/amortization expense	(18.6)	(17.0)	(15.1)	(12.4)	(13.6)	(16.3)
Recurring operating income	**6.9**	**22.2**	**29.9**	**30.2**	**34.9**	**34.6**
Other income from operations	23.1	125.5	3.4	2.5	6.1	7.0
Other expenses from operations	(29.0)	(18.9)	(7.2)	(5.2)	(8.0)	(10)
Operating income	**1.0**	**128.8**	**26.1**	**27.5**	**33.0**	**31.6**
Financial income	1.7	1.7	2.3	1.5	12.8	13.6
Financial expenses	(12.2)	(15.0)	(10.7)	(8.9)	(7.6)	(9.4)
Share of income from associates	0.3	0.4	—	—	—	—
Income before tax	**(9.2)**	**115.9**	**17.7**	**20.1**	**38.2**	**35.8**
Income tax	(2.0)	14.1	(7.8)	(6.8)	(5.4)	(6.4)
Net income from continuing operations	**(11.2)**	**130.0**	**9.9**	**13.3**	**32.8**	**29.4**
Net income (loss) from discontinued operations	—	(1.9)	(3.9)	(3.5)	—	(0.4)
Net income for the period	**(11.2)**	**128.1**	**6.0**	**9.8**	**32.8**	**29.0**

Summary consolidated statement of financial position

(€ in millions)	As of December 31, 2010	2011	2012	As of October 31, 2013
Assets				
Goodwill	2.9	4.2	8.2	17.6
Intangible assets	25.2	141.3	142.0	142.9
Property, plant and equipment	44.2	39.5	45.6	47.6
Investments in associates	2.4	3.1	0.4	0.5
Available-for-sale financial assets	0.3	0.3	0.3	0.3
Other non-current assets	6.1	6.5	12.1	16.5
Deferred tax assets	7.5	21.2	18.3	21.8
Total non-current assets	**88.6**	**216.1**	**226.9**	**247.1**
Inventories	170.6	170.2	176.7	188.9
Trade receivables	163.0	168.0	147.9	184.5
Other current assets	13.6	13.3	9.6	12.1
Cash and cash equivalents	81.4	71.5	58.4	22.2
Derivative financial instruments	—	—	—	—
Total current assets	**428.6**	**423.0**	**392.6**	**407.8**
Non-current assets held for sale	—	—	10.9	—
Total assets	**517.2**	**639.1**	**630.4**	**654.9**
Equity and liabilities				
Share capital	152.6	152.6	152.6	152.6
Other reserves	(105.3)	(117.7)	21.4	36.4
Net income attributable to owners of the parent	(11.2)	128.3	6.2	32.6
Shareholders' equity	**36.1**	**163.2**	**180.2**	**221.6**
Non-controlling interests	0.3	0.5	(0.4)	(0.2)
Total equity	**36.4**	**163.7**	**179.8**	**221.4**
Non-current borrowings and debt	215.5	205.6	167.7	136.0
Non-current provisions	—	6.0	4.8	3.7
Liabilities relating to employee benefits	24.7	25.3	25.5	16.9
Deferred tax liabilities	5.7	—	—	—
Other non-current liabilities	2.7	3.7	4.4	3.4
Total non-current liabilities	**248.6**	**240.6**	**202.4**	**160.0**
Current borrowings and debt	13.1	12.4	37.8	45.2
Current provisions	13.8	10.1	8.2	12.0
Trade payables	152.0	151.4	138.0	163.6
Other current liabilities	53.3	60.0	58.4	52.6
Derivative financial instruments	—	0.9	—	—
Total current liabilities	**232.2**	**234.8**	**242.4**	**273.5**
Liabilities directly associated with assets held for sale	—	—	5.8	—
Total equity and liabilities	**517.2**	**639.1**	**630.4**	**654.9**

Summary consolidated statement of cash flows

(€ in millions)	Year ended December 31, 2010	Year ended December 31, 2011	Year ended December 31, 2012	Ten months ended October 31, 2012	Ten months ended October 31, 2013
Net income	**(11.2)**	**128.1**	**6.0**	**9.8**	**32.8**
Net income/(loss) from discontinued operations	—	—	3.9	3.5	—
Adjustments for non-cash income and expenses	23.8	(90.4)	17.9	16.9	(0.3)
Financial expenses and income with a cash effect	7.2	9.6	3.1	2.1	3.4
Income tax	2.0	(14.1)	7.8	6.8	5.4
Inventories decrease/(increase)	—	(1.5)	2.4	(6.1)	(9.8)
Trade receivables decrease/(increase)	(2.2)	(1.2)	21.1	(6.3)	(31.4)
Trade payables increase/(decrease)	2.5	(0.9)	(15.2)	8.0	21.5
Other receivables and payables	(2.4)	5.0	(1.6)	(13.5)	(14.4)
Change in working capital	**(2.1)**	**1.4**	**6.7**	**(17.9)**	**(34.1)**
Other items with a cash effect	(4.0)	(4.1)	(6.4)	(4.3)	(4.7)
Net cash flow from operating activities	**15.6**	**30.4**	**39.0**	**16.9**	**2.5**
Acquisition of fixed assets	(14.1)	(15.9)	(15.9)	(11.5)	(13.4)
Changes in other financial assets	0.5	—	(1.1)	(1.3)	(0.7)
Disposal of fixed assets	3.6	1.5	0.7	0.2	2.1
Advances paid	—	—	(3.8)	(0.5)	(0.1)
Business acquisitions	(2.2)	(2.7)	(13.8)	(13.0)	(6.7)
Net cash flow used in investing activities	**(12.2)**	**(17.1)**	**(33.9)**	**(26.1)**	**(18.8)**
Dividends paid to the owners of the parent company	—	—	—	—	—
Dividends paid to non-controlling interests of consolidated companies	(0.1)	(0.3)	(0.3)	(0.3)	(0.2)
Dividends received from associates	—	—	—	—	—
Capital increase in cash	—	—	—	—	—
Financial expenses with a cash effect	(8.1)	(10.8)	(4.7)	(3.5)	(3.8)
Financial income with a cash effect	0.9	1.2	1.6	1.4	0.4
Increase in borrowings	0.1	1.2	6.6	10.3	3.6
Repayment of borrowings	(4.7)	(20.1)	(16.8)	(15.7)	(22.3)
Change in other financial liabilities	(6.7)	2.3	(0.2)	(0.1)	0.0
Net cash flow used in financing activities	**(18.6)**	**(26.5)**	**(13.8)**	**(7.9)**	**(22.3)**
Total cash flows used in continuing operations	**(15.3)**	**(13.3)**	**(8.7)**	**(17.1)**	**(38.6)**
Change in cash and cash equivalents:(1)					
Opening cash and cash equivalents	90.9	75.6	63.5	63.5	50.1
Net cash flow from continuing operations	(15.3)	(13.3)	(8.7)	(17.1)	(38.6)
Net cash flow from discontinued operations	—	—	(3.5)	(3.3)	—
Impact of currency rate fluctuations	—	1.2	(0.8)	(0.7)	0.2
Closing cash and cash equivalents from discontinued operations	—	—	(0.4)	(0.5)	—
Total closing cash and cash equivalents	**75.6**	**63.5**	**50.1**	**41.9**	**11.7**

(1) The heading "Cash and cash equivalents" in our consolidated statement of financial position excludes funds from a "bank overdraft" in an amount of €10.6 million as of October 31, 2013, €8.3 million as of December 31, 2012, €8.0 million as of December 31, 2011 and €5.8 million as of December 31, 2010.

Consolidated change in working capital

(€ in millions)	Year ended December 31, 2010	2011	2012	Ten months ended October 31, 2012	2013
Inventories decrease/(increase)	—	(1.5)	2.4	(6.1)	(9.8)
Trade receivables decrease/(increase)	(2.2)	(1.2)	21.1	(6.3)	(31.4)
Trade payables increase/(decrease)	2.5	(0.9)	(15.2)	8.0	21.5
Other receivables and payables	(2.4)	5.0	(1.6)	(13.5)	(14.4)
Change in working capital	**(2.1)**	**1.4**	**6.7**	**(17.9)**	**(34.1)**

Other financial and pro forma data

(€ in millions)	Year ended December 31, 2010	2011	2012	Ten months ended October 31, 2012	2013	As of and for the twelve months ended October 31, 2013
EBITDA[(1)]	25.5	39.2	45.0	42.6	48.5	50.9
EBITDA margin[(2)]	2.3 %	3.6 %	4.2 %	4.7 %	5.1 %	4.5 %
Adjusted EBITDA[(1)]	29.2	41.9	48.3	45.0	49.8	53.1
Adjusted EBITDA margin[(3)]	2.7 %	3.9 %	4.5 %	5.0 %	5.2 %	4.7 %
EBIT[(1)]	6.9	22.2	29.9	30.2	34.9	34.6
EBIT margin[(4)]	0.6 %	2.0 %	2.8 %	3.3 %	3.7 %	3.1 %
Pro Forma Adjusted EBITDA (including ACR)[(1)]						66.8
Pro Forma Adjusted EBITDA (excluding ACR)[(1)]						54.2
Change in working capital[(5)]	(2.1)	1.4	6.7	(17.9)	(34.1)	(9.5)
Change in working capital margin[(6)]	(0.2) %	0.1 %	0.6 %	(2.0) %	(3.6) %	(0.8) %
Capital expenditure margin[(7)]	1.3 %	1.5 %	1.5 %	1.3 %	1.4 %	1.6 %
Operating cash flow[(8)]	16.6	28.9	39.8	15.8	4.4	28.4
Cash conversion[(8)]	56.8 %	69.0 %	82.4 %	35.1 %	8.8 %	53.5 %
Pro Forma Financial Data (including ACR):						
Pro forma net financial debt (including ACR)[(9)]						223.9
Pro forma net cash interest expense (including ACR)[(10)]						
Ratio of pro forma net financial debt (including ACR) to Pro Forma Adjusted EBITDA (including ACR)						3.4x
Ratio of Pro Forma Adjusted EBITDA (including ACR) to pro forma net cash interest expense (including ACR)						
Pro Forma Financial Data (excluding ACR):						
Pro forma net financial debt (excluding ACR)[(11)]						163.7
Pro forma net cash interest expense (excluding ACR)[(12)]						
Ratio of pro forma net financial debt (excluding ACR) to Pro Forma Adjusted EBITDA (excluding ACR)						3.0x
Ratio of Pro Forma Adjusted EBITDA (excluding ACR) to pro forma net cash interest expense (excluding ACR)						

(1) EBITDA represents net income/(loss) from continuing operations before income tax, financial items (net), share of income of associates, other income/(expenses) from operations and depreciation/amortization expense (as included in our financial statements for the years ended December 31, 2010, 2011 and 2012 and for the ten months ended October 31, 2012 and 2013).

Our management believes that EBITDA is meaningful for investors because it provides an analysis of our operating results, profitability and ability to service debt and because EBITDA is used by our chief operating decision-makers to track our business evolution, establish operational and strategic targets, and make important business decisions. EBITDA is also a measure commonly reported and widely used by analysts, investors and other interested parties in our industry. The definition of EBITDA may vary from company to company. EBITDA is not a measure of performance under IFRS and you should not consider EBITDA as an alternative to (a) operating income or profit for the period as a measure of our operating performance, (b) cash flows from operating, investing and financing activities as a measure of our ability to meet our cash needs or (c) any other measures of performance under generally accepted accounting principles. For a description of the limitations of EBITDA as a financial measure, see "*Presentation of financial information and other data—Other financial measures.*"

EBIT represents net income/(loss) from continuing operations before income taxes, financial items (net), share of income from associates and other income/(expenses) from operations. Our management believes that EBIT is meaningful for investors because it provides an analysis of our operating results, profitability and ability to service debt and because EBIT is used by our chief operating decision-makers to track our business evolution, establish operational and strategic targets, and make important business decisions. EBIT is also a measure commonly reported and widely used by analysts, investors and other interested parties in our industry. The definition of "EBIT" may vary from company to company. EBIT is not a measure of performance under IFRS and you should not consider EBIT as an alternative to (a) operating income or profit for the period as a measure of our operating performance, (b) cash flows from operating, investing and financing activities as a measure of our ability to meet our cash needs or (c) any other measures of performance under generally accepted accounting principles. For a description of the limitations of EBIT as a financial measure, see "*Presentation of financial information and other data—Other financial measures.*"

Adjusted EBITDA represents EBITDA as adjusted for certain taxes, non-recurring and/or non-cash costs identified in the table below. For a description of the limitations of Adjusted EBITDA as a financial measure, see "*Presentation of financial information and other data—Other financial measures.*"

Pro Forma Adjusted EBITDA (excluding ACR) represents Adjusted EBITDA, giving pro forma effect to the acquisition of Rougon Queyrel on December 30, 2013 as if such acquisition had been consummated and fully integrated on November 1, 2012, which pro forma effect results from the EBITDA of Rougon Queyrel of €1.1 million derived from the statutory accounts of Rougon Queyrel as of and for the twelve months ended December 31, 2012, which we believe on the basis of our due diligence, is representative of Rougon Queyrel's results for the twelve months ended October 31, 2013.

Pro Forma Adjusted EBITDA (including ACR) represents Pro Forma Adjusted EBITDA (excluding ACR), giving pro forma effect to the acquisition of ACR as if such acquisition had been consummated and fully integrated on November 1, 2012, which pro forma effect results from:

- the adjusted EBITDA of ACR, which consists of (i) the EBITDA of ACR of €4.4 million, which has been derived from the unaudited consolidated management accounts of ACR as of and for the twelve months ended October 31, 2013 and (ii) adjustments in respect of (a) the relocation of ACR's central logistics platform to a larger and more efficient logistics platform, which resulted in increased personnel, equipment rental and transport costs and consultancy fees (€0.6 million), (b) staff reductions due to the increased productivity of ACR's new central logistics platform (€0.9 million) and (c) the transition from a dual to a single CEO governance structure (€0.7 million); and
- giving effect to €6.0 million of identified cost savings per year resulting in large part from having ACR purchase spare parts under our existing arrangements with our suppliers, which provide for more advantageous terms. These cost savings are derived from higher rebates from our suppliers, and are set forth in our contracts with our suppliers. Therefore, if we complete the Contemplated ACR Acquisition, these cost savings are expected to come into effect immediately upon the completion of the Contemplated ACR Acquisition without additional cost. See "*Risk factors—Risks related to our business—We may face significant challenges in integrating our recently acquired businesses and in integrating any future potential acquisition, and may be unable to realize the expected savings from these businesses and any other cost improvement measures we have taken*."

Pro Forma Adjusted EBITDA (excluding ACR) and Pro Forma Adjusted EBITDA (including ACR) are presented for informational purposes only. This information does not represent the results we would have achieved had the acquisitions of Rougon Queyrel and/or ACR occurred on November 1, 2012. The calculations of the EBITDA of Rougon Queyrel and of the adjusted EBITDA of ACR are based in part on management estimates, due diligence reviews and the unaudited internal management accounts of Rougon Queyrel and ACR, respectively. These numbers have not been audited and are not derived from accounts prepared in accordance with IFRS. The EBITDA of Rougon Queyrel and the adjusted EBITDA of ACR are included in this Offering Memorandum as we believe that they provide useful measures of our potential results of operations after giving effect to the acquisition of Rougon Queyrel and to the Contemplated ACR Acquisition, respectively. However, this information does not constitute measures of performance under IFRS or French GAAP and you should not consider EBITDA of Rougon Queyrel or adjusted EBITDA of ACR as an alternative to (a) operating income or profit for the period as a measure of Rougon Queyrel's, ACR's or our operating performance, (b) cash flows from operating, investing and financing activities as a measure of our ability to meet our cash needs or (c) any other measures of performance under generally accepted accounting principles. Results indicated by these measures may not be realised, and funds depicted by these measures may not be available for management's discretionary use if such results are not realized.

The following table reconciles net income/(loss) from continuing operations to EBIT, EBITDA, Adjusted EBITDA, Pro Forma Adjusted EBITDA (excluding ACR) and Pro Forma Adjusted EBITDA (including ACR) for the periods indicated:

	Year ended December 31,			Ten months ended October 31,		Twelve months ended October 31,
(€ in millions)	**2010**	**2011**	**2012**	**2012**	**2013**	**2013**
Net income/(loss) from continuing operations	**(11.2)**	**130.0**	**9.9**	**13.3**	**32.8**	**29.4**
Income taxes	2.0	(14.1)	7.8	6.8	5.4	6.4
Financial items, net	10.5	13.3	8.4	7.4	(5.2)	(4.2)
Share of income from associates	(0.3)	(0.4)	—	—	—	—
Other income/(expenses) from operations	5.9	(106.6)	3.8	2.7	1.9	3.0
EBIT	**6.9**	**22.2**	**29.9**	**30.2**	**34.9**	**34.6**
Depreciation/amortization expense	18.6	17.0	15.1	12.4	13.6	16.3
EBITDA	**25.5**	**39.2**	**45.0**	**42.6**	**48.5**	**50.9**
Management recruitment and severance fees(a)	1.0	0.4	—	—	—	—
Management fees(b)	0.6	0.6	0.6	0.5	0.6	0.7
M&A expenses and other consulting fees(c)	1.3	1.7	2.4	1.6	0.3	1.1
Impact of change in inventory valuation estimate	0.8	—	—	—	—	—
Customer-facing website start-up costs(d)	—	—	0.3	0.3	0.4	0.4
Adjusted EBITDA	**29.2**	**41.9**	**48.3**	**45.0**	**49.8**	**53.1**
EBITDA of Rougon Queyrel						1.1
Pro Forma Adjusted EBITDA (excluding ACR)						**54.2**
Adjusted EBITDA of ACR						6.6
ACR savings						6.0
Pro Forma Adjusted EBITDA (including ACR)						**66.8**

(a) Represents certain severance costs paid to former management and the costs of recruiting new management in connection with our restructuring and the implementation of our profit improvement plan ("PIP").

(b) Represents fees paid to DutchCo and Top DutchCo pursuant to the Members' Agreement to cover management, administrative, audit, and legal fees and expenses.

(c) Represents certain expenses, including legal, real estate and due diligence fees, in connection with acquisitions in France and the disposal of our majority stake in our Italian operations in April 2013, one-off consulting fees with respect to the PIP (including fees related to the reorganization of our back office function, an analysis of our selling and general expenses and the physical relocation and implementation of security enhancements of certain IT facilities), debt advisor fees and costs of temporary outsourcing.

(d) Represents non-recurring start-up costs associated with our customer-facing consumer website that does not yet generate revenue and is currently under testing, primarily made up of staff costs, IT development costs and marketing charges.

(2) EBITDA margin represents EBITDA divided by revenue. For a description of the limitations of EBITDA margin as a financial measure, see "*Presentation of financial information and other data—Other financial measures.*"

(3) Adjusted EBITDA margin represents Adjusted EBITDA divided by revenue. For a description of the limitations of Adjusted EBITDA margin as a financial measure, see "*Presentation of financial information and other data—Other financial measures.*"

(4) EBIT margin represents EBIT divided by revenue. For a description of the limitations of EBIT margin as a financial measure, see "*Presentation of financial information and other data—Other financial measures.*"

(5) Change in working capital for a given period represents the change in inventories, trade payables, trade receivables and other current assets and liabilities.

(6) Change in working capital margin represents change in working capital divided by revenue.

(7) Capital expenditure margin represents investments in property, plant and equipment and intangible assets divided by revenue.

(8) The following table reconciles operating cash flow to Adjusted EBITDA. Cash conversion represents operating cash flow divided by Adjusted EBITDA.

	Year ended December 31,			Ten months ended October 31,		Twelve months ended October 31,
(€ in millions)	**2010**	**2011**	**2012**	**2012**	**2013**	**2013**
Adjusted EBITDA	29.2	41.9	48.3	45.0	49.8	53.1
Change in working capital	(2.1)	1.4	6.7	(17.9)	(34.1)	(9.5)
Acquisition of fixed assets, net of disposals	(10.5)	(14.4)	(15.2)	(11.3)	(11.3)	(15.2)
Operating cash flow	16.6	28.9	39.8	15.8	4.4	28.4
*Cash conversion**	56.8%	69.0%	82.4%	35.1%	8.8%	53.5%
Financial expenses with a cash effect	(8.1)	(10.8)	(4.7)	(3.5)	(3.8)	(4.9)
Income tax with cash effect	(4.0)	(4.1)	(6.4)	(4.3)	(4.7)	(6.8)

* Cash conversion ratios for the ten-months ended October 31, 2012 and 2013 and last twelve months ended October 31, 2013 are not comparable with cash conversion ratios computed for the years ended December 31, 2010, 2011 and 2012,

due to seasonal working capital effects on our business. Inventory and trade receivables levels are significantly higher in October than in December due to high levels of activity in the months of September and October. In addition, our operating cash flows were impacted by certain one-off items, such as delays in payments from customers affecting our cash conversion ratio for the ten months ended December 31, 2013, as well as an increase in inventory as of October 31, 2013 due to the implementation of a new inventory management system in December 2013.

(9) Pro forma net financial debt (including ACR) represents total financial debt less available adjusted pro forma cash and cash equivalents, and excludes accrued interest, assuming that the acquisition of ACR is completed.

(10) Pro forma net cash interest expense (including ACR) represents our net interest expense for the twelve months ended October 31, 2013, as adjusted, as if the Notes had been issued and the proceeds therefrom would have been used to effect the Transactions as set forth in "*Use of proceeds*" on November 1, 2012. Pro forma net cash interest expense includes commitment fees on the undrawn Revolving Credit Facility but does not include any charges related to debt issuance costs in connection with this Offering. Pro forma cash interest expense has been presented for illustrative purposes only and does not purport to represent what our interest expense would have actually been had the issuance of the Notes occurred on the date assumed, nor does it purport to project our interest expenses for any future period or our financial condition at any future date.

(11) Pro forma net financial debt (excluding ACR) represents total financial debt less available adjusted pro forma cash and cash equivalents, and excludes accrued interest, assuming that the acquisition of ACR is not completed.

(12) Pro forma net cash interest expense (excluding ACR) represents our net interest expense for the twelve months ended October 31, 2013, as adjusted, as if the Notes had been issued and the proceeds therefrom would have been used to effect the Refinancing as set forth in "*Use of proceeds*" on November 1, 2012 (but not the acquisition of ACR). Pro forma net cash interest expense includes commitment fees on the undrawn Revolving Credit Facility but does not include any charges related to debt issuance costs in connection with this Offering. Pro forma cash interest expense has been presented for illustrative purposes only and does not purport to represent what our interest expense would have actually been had the issuance of the Notes occurred on the date assumed, nor does it purport to project our interest expenses for any future period or our financial condition at any future date.

Risk factors

An investment in the Notes involves a high degree of risk. In addition to considering carefully, in light of the circumstances and your individual investment objectives, the information contained elsewhere in this Offering Memorandum, you should carefully consider the risks described below before investing in the Notes. If any of the events described below actually occurs, our business, results of operations, financial condition or prospects could be materially adversely affected and, accordingly, the value and the trading price of the Notes may decline, resulting in a loss of all or part of any investment in the Notes. The order in which the risk factors are presented does not necessarily reflect the likelihood of their occurrence or the magnitude or significance of the individual risk factors. Furthermore, the risks and uncertainties described herein may not be the only ones that we face. Additional risks and uncertainties not presently known to us or that we currently consider to be immaterial may also have a material adverse effect on our business, results of operations, financial condition or prospects.

Risks related to our business

Material disruptions at our warehouses or to our transportation network, or significant increases in transportation costs, could have a material adverse effect on our business, results of operations and financial condition.

As of October 31, 2013, our distribution network infrastructure in France was comprised of our central purchasing departments, three warehouses (one for each of light vehicle parts, light vehicle collision repair parts and truck parts), connected to 48 wholly-owned distributors (operating 311 sites) and 44 affiliated independent distributors (operating 178 sites). For the twelve months ended October 31, 2013, we delivered approximately 35% of products sold in France to both our wholly-owned and affiliated independent distributors through our three warehouses. The remaining 65% of products sold in France were delivered directly to our distributors by spare parts manufacturers. In Poland, we operated three warehouses and 43 distribution sites. Furthermore, we rely on road transportation for the prompt transfer of the products that we distribute from our warehouses or distribution sites directly to our customers.

A material disruption at any one of our warehouses or distribution sites in France or Poland or to our transportation network caused, for example, by weather-related problems, employee strikes, lock-outs and inadequacies in the transport infrastructure, or other events, could affect our ability to meet customer demand in a timely manner or at all, which, in turn, could have a material adverse effect on our business, results of operations and financial condition. In addition, our insurance coverage may be insufficient to cover any damages that may arise or to compensate us for any losses that we may incur, due to such interruption of our operations.

We are dependent on third parties for the transportation of orders, and this service could be disrupted. In the twelve months ended October 31, 2013, transportation costs accounted for 3.5% of our revenue. Transportation costs have historically fluctuated significantly over time, particularly in connection with oil prices, and increased transportation costs could result in reduced profits. Any disruption in transportation services, or any increases in the cost of transportation, could have a material adverse effect on our business, results of operations and financial condition.

We do not manufacture any of the products that we distribute and are dependent on the ability of our third-party suppliers to meet our product requirements.

We do not manufacture any of the products that we distribute and, therefore, rely on over 300 third-party suppliers for the provision of light vehicle and truck spare parts and equipment and tools that are essential to our business. Our business and, ultimately, our results of operations are dependent on our suppliers' ability to provide us with such products. Our suppliers may fail to meet delivery deadlines, provide us with sufficient products or comply with our quality requirements. The capacity of some of our suppliers to meet our supply requirements may in the future be constrained at various times and our suppliers may be susceptible to production difficulties, insufficient quality control, failures to meet production deadlines or increases in manufacturing costs or other factors that negatively affect the quantity or quality of their production.

Production by one or more suppliers could be disrupted due to a variety of factors, including closures of one of our suppliers' plants or critical manufacturing lines due to strikes, mechanical breakdowns, electrical outages, fires, explosions, financial distress or bankruptcy, as well as political upheaval, adverse economic events or logistical complications, due to weather, natural disasters, mechanical failures, delayed customs processing, or other events. Any short-term or prolonged disruption in the supply of spare parts from our suppliers could have a material adverse effect on our business, results of operations and financial condition. In the event that one or more of our major suppliers experiences operational or financial difficulties, and we are unable to secure alternative sources in a timely manner or on commercially beneficial terms, we may experience inventory shortages which could result in unfilled customer orders and lost revenues due to our "just-in-time" delivery method, as well as damage to our business reputation.

If our suppliers are unable or unwilling to continue to provide us with products under our presently agreed terms, or if we are unable to obtain products from our suppliers in the future at favorable prices, our margins will likely be negatively impacted and there could be a material adverse effect on our business, results of operations and financial condition. Moreover, if there is a significant or unexpected drop in customer demand or if there is a significant increase in customer demand that we are unable to meet from our "on-hand" inventory stock or procure in time from our suppliers, our business, results of operations and financial condition could be adversely affected.

Our business is exposed to risks associated with economic conditions in France and worldwide.

The demand for certain of the products that we distribute may be impacted by economic conditions in France and our other markets, and our business is impacted by growth in the French economy. The light vehicle spare parts aftermarket tends to be affected in the early period of a recession, when end-customers delay the maintenance of their light vehicles. The truck spare parts aftermarket is more cyclical than the light vehicle spare parts aftermarket, due to the correlation of the demand for road freight with general economic conditions. Simultaneously, de-stocking occurs at all levels of the spare parts supply chain, which may cause a short- to medium-term decrease in sales by distributors of light vehicle and truck spare parts. France is our principal geographic market, representing 90% of our revenue in the twelve months ended October 31, 2013. We also hold a strong regional position in the Polish light vehicle IAM, where we generated 10% of our revenue over the same period. Economic uncertainty, globally and in France, could decrease consumer confidence and consumer and business spending on vehicle maintenance, which could have an adverse effect on our business, results of operations and financial condition.

We cannot predict the timing or duration of any economic slowdown or the timing or strength of a subsequent economic recovery, worldwide or in France. If the light vehicle and truck spare parts aftermarket significantly deteriorates due to these economic effects, it could have an adverse effect on our business, results of operations and financial condition. In addition, concerns that the eurozone sovereign debt crisis could worsen may lead to the reintroduction of national currencies in one or more eurozone countries or, in particularly dire circumstances, the abandonment of the euro. The departure or risk of departure from the euro by one or more eurozone countries and/or the abandonment of the euro as a currency could have major negative effects on both our existing contractual arrangements and the fulfillment of obligations by us, our product suppliers or our customers.

We are also subject to the risk of increased costs due to general economic conditions, both in forms of increased employee costs and increased costs of operational costs. Any failure to pass such increases in costs on to our customers could impact our results of operations and financial condition.

Financial difficulties of our customers may require us to write off debts.

Across each of our business lines, we rely on the ability of our customers to pay for the products that we distribute. If a customer undergoes financial difficulties, payments can be significantly delayed and ultimately we may not be able to collect amounts payable to us under our agreements, resulting in write-offs of such debt. We maintain reserves for doubtful accounts and amounts past due. However, there can be no assurance that such reserves are sufficiently large for the credit risks we face, particularly in relation to our affiliated independent distributors. Significant or recurring incidents of bad debts would adversely impact our business, results of operations and financial condition.

Our industry is highly competitive.

We operate in a highly competitive industry and face competition from a variety of types of spare parts distributors and sellers in the highly fragmented French and Polish spare parts aftermarket in which we operate. We primarily compete on the basis of product availability, delivery lead time, quality of service, product range and technical support. Our main competitors are other light vehicle and truck spare part distributors in France (such as Groupauto) and in Poland (such as Inter Cars, Fota and Group Auto Union Polska), as well as new online light vehicle and truck spare parts distributors, which mainly compete with us on the basis of price. We believe that an increasing number of customers compare prices on the internet before making a purchase and generally choose products with the most competitive price. Over time, online light vehicle and truck spare parts distributors may adapt our business-to-business distribution and logistics model, reduce costs and demand lower prices for the spare parts they sell. Further, in certain countries, low-cost discount distributors have emerged that primarily compete on the basis of price and offer lower prices for the spare parts that they sell, and such low-cost discount distributors may decide to enter the French market. In addition, our competitors that currently purchase spare parts from suppliers on a decentralized basis may consolidate their purchasing functions across their various operations, subsidiaries or owned or affiliated distributors, and their purchasing scale may enable them to purchase spare parts at prices that are lower than we can obtain. As a result they may be able to offer certain spare parts to customers at lower prices than we can. Our failure to adapt to these or other changes in the competitive landscape could result in a low profit margin, decreased revenue and loss of market share and could therefore have a material adverse effect on our business, results of operations and financial condition.

Our customers also compete with car dealers such as Peugeot and Renault. Car dealers typically specialize in light vehicles and trucks aged zero to four years old and capture a large share of light vehicle and truck repairs covered by warranties. Certain car dealers, however, have extended their new light vehicle warranties to up to eight years, and provide for long-term service programs to customers. If light vehicle and truck manufacturers continue to significantly expand (for example, as a result of changes in the legal environment) the scope of their warranties beyond the current limits, especially for replacement parts and maintenance items, these replacements and maintenance parts covered by such extended warranties would likely be performed by car dealers instead of us.

Our sales depend on the age, number and mileage of light vehicles and trucks used in France and the length of service intervals.

The demand for the products that we distribute is affected by the age, number and mileage of light vehicles and trucks used in France and the length of service intervals. As light vehicles and trucks get older, expenses for light vehicle and truck spare parts generally increase. Consequently, a decline in the age of light vehicles and trucks could lead to decreased demand for the products that we distribute and our services. We consider our core market to be light vehicle and trucks aged over four years. We also believe that light vehicle and truck repairs are currently being made at a later date and to a lesser extent. The technological and qualitative improvements of many light vehicle and truck components can lead to a decrease in demand for light vehicle and truck spare parts, which could have an adverse effect on our business, results of operations and financial condition.

In addition, to stimulate new light vehicle sales in connection with the ongoing global economic crisis, the French government has introduced a scrappage scheme (*prime à la casse*) to promote the replacement of old vehicles with modern vehicles and to improve emission standards. Decree n°2007-1873 of December 26, 2007 fixed the amount of an environmental bonus granted to any person having its registered address or an establishment in France based on carbon dioxide ("CO_2") emissions from new cars registered in France within two years. Such bonus was increased by €300 (the "super-bonus") when the registration of the new car was accompanied by the destruction of another car older than 15 years and owned by the beneficiary of the super-bonus. Decree n°2009-66 of January 19, 2009 has since amended Decree n°2007-1873 of December 26, 2007 and has introduced a fixed scrappage bonus of €1,000 granted to any person having its registered address or an establishment in France upon the registration by such person of a new car emitting less than 160 g/km of CO_2 accompanied by the destruction of a car at least ten years old. This scrappage bonus was increased for even better emission standards (€5,000 for cars with less than 60 g/km of CO_2). The scrappage bonus was initially applicable to cars ordered between December 4, 2008 and December 31, 2009. The scrappage bonus was gradually reduced to €500 and maintained under certain conditions until December 31, 2010 by Decree n°2009-1581 of December 18, 2009. The bonus was completely phased out for any car ordered after December 31, 2010 or invoiced after March 31, 2011. However, the bonus of €300 to €200 is still applicable with respect to any car invoiced after January 1, 2012. These measures have had an impact on the average age of the light vehicles on the road and have resulted in a decrease in the demand for the products we distribute, because newer light vehicle models typically require fewer repairs. Similar governmental incentive plans may be implemented in the future, which could have a material adverse effect on our business, results of operations and financial condition.

A decline in the use of light vehicles could result in a related decrease in demand for light vehicle spare parts. Factors such as higher gasoline prices or gasoline taxes, a significant deterioration in economic conditions, environmental concerns or limitations on tax breaks for commuting costs and the introduction of a road charge for light vehicles and trucks and potential speed limits in cities could reduce light vehicle and truck spending. Similarly, changes in traveling or commuting behavior (for example, through the increased use of public transport or light vehicle sharing) or continuing urbanization could decrease the average mileage of light vehicles and demand for the products that we distribute and our services. Such a decline in demand could have an adverse effect on our business, results of operations and financial condition.

Disruptions in our IT systems could adversely affect our operating results.

The software we use and develop in collaboration with third-party software companies facilitates our ability to efficiently manage supply flows, operational data and other management and financial information and to provide management with current inventory levels at our warehouses. In particular, our customized IT systems allow us to identify, in real time, the availability of any particular product that is ordered within our distribution network. We depend on the continuous availability and reliability of our IT platform, which, in turn, depends on the functioning of our IT hardware and is, therefore, subject to operational risks such as the occurrence of equipment failures, power interruptions and unlawful conduct by third parties. The performance of our IT systems also depends, among other things, on our ability to effectively safeguard our IT systems and related equipment against damage from interruptions to telecommunication services and from computer viruses. The occurrence of any such events, and any consequent slowdown or interruption to telecommunication services may impair our ability to manage supply flows, operational data and other management and financial information and to provide management with current inventory levels at our warehouse, which could, in turn, have a material adverse effect on our business, results of operations and financial condition.

For example, we have recently upgraded the warehouse IT management system of our light vehicle logistics platform in order to manage our inventory more efficiently. The implementation of new IT systems may cause organizational disruptions within our Group. In addition, there can be no assurance that our new warehouse IT management system, or any future IT systems, will deliver the projected efficiencies.

One of our strategies is to increase sales of products that we distribute through our websites. The implementation of this strategy will require additional IT resources and may result in a disruption to our existing computer and telecommunications systems, whether in connection with the implementation of expanded capabilities or otherwise, which could, in turn, adversely affect our online sales and/or our business reputation. We cannot assure you that we will be able to maintain and upgrade our IT systems in a manner that will avoid interruptions or disruptions of such systems. Any failure or inability to maintain and upgrade our IT systems may have a material adverse effect on our business, results of operations and, financial condition.

Continued technological advancements in light vehicle and truck parts could affect our sales.

The demand for the products that we distribute is affected by technological and qualitative improvements in new light vehicles and trucks, and the light vehicle and truck market is characterized by frequent technical advances and increases in the complexity of existing components. Certain light vehicle and truck spare parts may feature complex or innovative technology that can only be maintained by persons with special training or at specialized garages. This technology may also require continuous training and regular updating in relation to a particular light vehicle or truck model. For example, repairs of sensors as well as repairs of air conditioning systems require special skills, training and equipment. The independent garages that are the primary end-users of the parts we distribute may not continue to obtain the information and training necessary to maintain the complex technology featured in our end-customers' vehicles, and the expertise to install and repair these parts may only be available at car dealers. Moreover, the expenses required for specialized staff training as well as the sophisticated equipment required to test and repair these evolving components could result in higher costs or higher capital expenditure for us or for our end-customers. In certain cases it may no longer be economically feasible for independent garages to offer repair services for particular light vehicle and truck models or spare parts. Further, sophisticated manufacturing technology for light vehicle and truck spare parts improves their quality and reduces the number of replacements and repairs they require. If light vehicle and truck spare parts are replaced less frequently, our revenue could decrease.

The IAM in which we operate differs from the original equipment supplier aftermarket segment ("OES"), in which operators are linked to the light vehicle manufacturers who directly supply them with the necessary technical information on vehicle components and repair procedures. Due to ongoing technological developments in the manufacturing of light vehicles and trucks, independent garages are required to gain appropriate technical expertise in newly developed components. The failure of independent garages to gain the appropriate technical expertise, or access to the tools, instruments and parts that such technological developments demand, may result in an increase in demand for maintenance and repair services provided by car dealers with the necessary technical expertise (which garages represent a small portion of our revenues), which could, in turn, have a material adverse effect on our business, results of operations and financial condition.

Our business depends in part on a strong brand image and if we are not able to maintain and enhance our brand or market our product offerings we may be unable to attract a sufficient number of customers or sell sufficient quantities of the products that we distribute.

We believe that the brand image we have developed has contributed significantly to the success of our business to date. We also believe that maintaining and enhancing our brand are integral to the success of our business and to the implementation of our growth strategy. This will require us to make further investments in areas such as marketing and advertising, as well as our website operations. Maintaining, promoting and positioning our brand will depend largely on the success of our marketing and merchandising efforts, and our ability to provide good customer experiences. Our brands could be adversely affected if we fail to achieve these objectives or if our public image or reputation were to be tarnished by negative publicity. Our brand image may be diminished if we fail to maintain high standards for, among other things, the timely and efficient delivery of quality products, if we fail to maintain high social and environmental standards for all of our operations and activities, if we fail to comply with local laws and regulations or if we experience other negative events that affect our image or reputation. Any failure to maintain a strong brand image could have an adverse effect on our business, results of operations and financial condition. In addition, we distribute products to approximately 3,200 branded garages and 44 affiliated independent distributors that have entered into affiliation agreements with us, but whom we do not control. Accordingly, these branded garages and affiliated independent distributors may take actions or make decisions that adversely affect our brand and reputation.

Our principal brand names and trademarks, such as Autodistribution, Garage Expert AD and Auto Primo, Autossimo, AD PL, ISOTECH and the "AD" logo are key assets of our business. See "*Business—Intellectual property*." We rely on a combination of copyright, trademark and patent laws to establish and protect our intellectual property rights, but we cannot assure you that the actions we have taken or will take in the future will be adequate to prevent violation or challenges to our intellectual property rights. There can be no assurance that litigation will not be necessary in order to enforce our trademark or other intellectual property rights or to defend ourselves against third-party claims of infringement of their rights. Adverse publicity, legal action or other factors could lead to substantial erosion in the value of our brands and trademarks, which could, in turn, lead to decreased customer demand and have a material adverse effect on our business, results of operations and financial condition.

Our growth strategy will require us to expand and improve our operations, and risks associated with our expansion plans may adversely affect our business, results of operations and financial condition.

Our growth strategy includes, among others, strengthening our market position in France. We may implement this strategy through organic growth, diversifying our activities or selected acquisitions. Acquisitions pose additional risks, including paying too high a purchase price or the assumption of unexpected liabilities. In addition, our ability to engage in strategic acquisitions may depend on our ability to raise substantial capital and we may not be able to raise the funds necessary to implement our acquisition strategy on terms satisfactory to us, if at all. Our failure to identify suitable acquisition opportunities may restrict our ability to grow our business. In addition, the integration of an acquired business and its systems, operations and personnel, particularly in respect of businesses operating in adjacent markets, could be more difficult and time-consuming than anticipated, which could lead to increased operating costs, the loss of key employees and customers, and a failure to realize anticipated operating savings.

Our logistics complexity will increase as our footprint grows. This increased complexity will require that we continue to expand and improve our capabilities, including our IT and other logistics management capabilities, as well as to grow, train and manage our employee base. We will also need to continually evaluate the adequacy of our information and distribution systems, controls and procedures related to financial reporting. Implementing new systems, controls and procedures and any changes to existing systems, controls and procedures could present challenges that we do not anticipate and which could negatively impact our business, results of operations and financial condition. In addition, this increased complexity will require us to continually evaluate whether personnel with appropriate levels of expertise and experience are properly allocated in accordance with our growth strategy, and any failure to allocate such personnel may make it more difficult to achieve our growth strategy.

Our growth could also make it difficult for us to adequately predict the expenditures we will need to make in the future. This growth could impact the operational flexibility and reactivity of our supply chain and make us unable to react as promptly to changing customer demands and new market trends as we have been able to do historically. We may not be able to anticipate all of the demands that our expanding operations will impose on our business, personnel, systems, controls and procedures, and our failure to appropriately address such demands could materially adversely impact our existing operations and prevent us from implementing our growth strategy.

We may face significant challenges in integrating our recently acquired businesses and in integrating any future potential acquisition, and may be unable to realize the expected savings from these businesses and any other cost improvement measures we have taken.

We could face significant challenges in managing and integrating our recently acquired businesses as well as in integrating any future potential acquisition, particularly ACR, if we complete the Contemplated ACR Acquisition. The integration of recently acquired businesses and any future potential acquisition will require the dedication of management resources that may temporarily divert attention from our day-to-day business. The process of integration could also interrupt our activities, which could have a material adverse effect on our combined business, financial condition and results of operations. If we cannot successfully integrate acquired businesses or any future potential acquisition within a reasonable time following its acquisition, we may not be able to realize the potential and anticipated benefits thereof. In connection with the integration of recently acquired businesses or integrating any future potential acquisition into our existing operating structure, we will seek to realize purchasing and cost savings.

Our anticipated cost savings are based upon assumptions about our ability to implement these measures in a timely fashion and within certain cost parameters. Our ability to achieve the planned cost savings is dependent upon a significant number of factors, some of which may be beyond our control. If one or more of our underlying assumptions regarding these projects proves to have been incorrect, these efforts could lead to substantially higher costs than planned and we may not be able to realize fully, or realize in the anticipated timeframe, the expected benefits from our cost measures. Furthermore, pricing pressure from our customers or competitors or other variables may deprive us of some of the benefits of the cost measures that we have assumed that we will be able to retain in the calculation of both Pro Forma Adjusted EBITDA (including ACR) and Pro Forma Adjusted EBITDA (excluding ACR). Also, cost efficiencies from expected improved logistics and distribution processes may not be sustainable due to changes in customer needs, environmental law, logistics, transportation costs or other cost variables. Our new business initiatives could result in unintended consequences, such as the loss of key customers and suppliers. Our inability to realize the anticipated cost savings and revenue enhancements from the acquisition of Rougon Queyrel, the Contemplated ACR Acquisition or any future potential acquisition and other measures that we have taken could have a material adverse effect on our business, results of operations, financial condition and cash flows.

The products that we provide may be exposed to price and margin pressures, and we may be unable to attract new customers and retain existing customers at competitive pricing and margin levels.

We may be forced to decrease prices for the products that we distribute due to a number of factors, such as challenging macroeconomic conditions or increased competition. In our industry, both light vehicle and truck spare parts manufacturers set retail prices through official recommended prices for the end-customer. Each participant in the value chain, including us, then sets its prices as a percentage of the recommended price on the basis of its targeted gross margin. We may be unable to compensate for a decrease in recommended retail prices by obtaining supplier rebates, attracting new business, reducing our operating costs (for example, through headcount reductions, increases in labor productivity or other gains in cost efficiency) or otherwise, which could have an adverse effect on our business, results of operation and financial condition.

In addition, the impact of laws and regulations, particularly labor and employment laws and regulations, may restrict our ability to achieve cost reductions and other efficiency gains. See "*—Our business is subject to various laws and regulations, including in relation to labor and employment, and changes in, or violations of, such laws or regulations may adversely affect our business and profitability.*" Price and margin pressures may therefore lead to a reduction in average prices and margins for our services, which could also have a material adverse effect on our business, results of operations and financial condition.

A decrease in the number of affiliated independent distributors in our network or the termination of our affiliation agreements with affiliated independent distributors may adversely impact our revenues and profitability.

We have entered into affiliation agreements with affiliated independent distributors and branded garages. These agreements allow them to use one of our brands, including AD Garage, Garage Expert AD and Auto Primo, and in return the affiliated distributors designate us as their preferred supplier and the independent garages designate our distributors as their preferred distributors. Our failure to maintain or renew these agreements, particularly with our affiliated independent distributors, may reduce the size of our distribution network and our customer base, which could significantly harm our profitability. Our affiliated independent distributors have also signed supply contracts with our central purchasing departments and they benefit from the same discounted prices on purchases as our wholly-owned distributors. Our failure to maintain or renew these contracts could result in one or more of these affiliated independent distributors obtaining some or all of their supplies from manufacturers other than our suppliers or our central purchasing department. Moreover, in most instances, our customers purchase light vehicle and truck spare parts based on their existing needs, but are not required to purchase a minimum amount of any of the products that we distribute. Therefore, a significant decrease in demand for certain key spare parts for both light vehicles and trucks could have a material adverse effect on our results of operations. To the extent that we do not maintain our existing level of business with our customers, we will need to attract new customers or win new business with our existing customers and if we are unable to do so, our business, results of operations and financial condition may be adversely affected.

The departure of members of our management team or other key personnel, or our inability to attract and retain qualified management or other key personnel, could have an adverse effect on our business.

Our success is largely dependent upon the continued service and skills of our existing management team. If one or more of our executives or other key personnel are unable or unwilling to continue in their present positions, we may not be able to replace them easily and our business may be disrupted, which may materially and adversely affect our business, results of operations and financial condition. Competition for management and key personnel is intense, and the pool of qualified candidates is limited, so we may not be able to attract and retain experienced executive or key personnel in the future, which could hinder our ability to run and develop our business successfully. In addition, if any of our executives or other key personnel joins a competitor or forms a competing company, we may lose customers, know-how and other key personnel, which may have an adverse effect on our business, results of operation and financial condition.

Our business is subject to various laws and regulations, including in relation to labor and employment, and changes in, or violations of, such laws or regulations may adversely affect our business and profitability.

Our operations are subject to a variety of laws and regulations, including laws and regulations relating to labor, employment, health and safety. The modification, suspension, repeal or expiration of favorable provisions in labor and employment laws and regulations or, conversely, any increases of mandatory minimum wages pursuant to laws, regulations or collective bargaining agreements, or of social security contributions, may negatively impact our business and profitability. For example, in France we benefit from reductions in employer social security contributions on certain wages pursuant to law 2003-47 of January 17, 2003, as completed by law 2008-1258 of December 3, 2008 (the "Fillon Law"), as well as from a tax credit for competitiveness and employment (*crédit d'impôt pour la compétitivité et l'emploi*) ("CICE"). Pursuant to CICE, French companies receive a tax credit of 4% of the gross salaries paid to employees whose wages are less than or equal to 2.5 times the French statutory minimum wage for 2013 and 6% in 2014. The Fillon Law allows employers to benefit from reductions in such social security contributions in respect of wages that amount to less than 160% of the French statutory minimum wage.

Any unfavorable changes in the Fillon Law, CICE or other labor and employment laws and regulations, or in the terms of collective bargaining agreements applicable to our business, as well as any increases of the statutory minimum wage in any country or industry in which we operate, may increase our payroll costs and negatively affect our operating margins and operational flexibility, and therefore may have a material adverse effect on our business, results of operations and financial condition.

In January 2013 an agreement was reached between national employer representatives and trade unions in France regarding certain labor market reforms. Many provisions of this agreement now appear in the law on job security published on June 14, 2013. This law provides, among other things, additional charges on fixed-term employment contracts, greater regulation of part-time employment and an extension of the scope of complementary health benefits to all employees. We cannot yet assess the impact of such new measures on our future operations but they may have an adverse impact on our costs. Labor market reform in general continues to be a key policy measure on the French government's political agenda, and changes in any of the above-mentioned laws or regulations or the coming into force of any new laws or regulations could substantially increase our operating costs or restrict our operational flexibility and therefore have a material adverse effect on our business, results of operations and financial condition.

A deterioration in our relationships with our employees or trade unions or a failure to extend, renew or renegotiate on favorable terms our collective bargaining agreements could have an adverse impact on our business.

As of October 31, 2013 we had 6,349 employees. Maintaining good relationships with our employees, unions and other employee representatives is crucial to our operations. As a result, any deterioration of the relationships with our employees, unions and other employee representatives could have an adverse effect on our business, results of operations and financial condition. See "*Business—Employees.*"

Some of our employees are covered by national collective bargaining agreements. These agreements typically complement applicable statutory provisions in respect of, among other things, the general working conditions of our employees such as maximum working hours, holidays, termination, retirement, welfare and incentives. National collective bargaining agreements and company-specific agreements also contain provisions that could affect our ability to restructure our operations and facilities or terminate employees. We may not be able to extend existing company-specific agreements, renew them on their current terms or, upon the expiration of such agreements, negotiate such agreements in a favorable and timely manner or without work stoppages, strikes or similar industrial actions. We may also become subject to additional company-specific agreements or amendments to the existing national collective bargaining agreements. Such additional company-specific agreements or amendments may increase our operating costs and have an adverse effect on our business, results of operations and financial condition.

While in the last three years we have not experienced any material disruption to our business as a result of strikes, work stoppages or other labor disputes, such events could disrupt our operations, result in a loss of reputation, increased wages and benefits, or otherwise have a material adverse effect on our business, results of operations and financial condition.

Increased employment costs may have a material adverse effect on our business, results of operations and financial condition.

Our labor costs may rise faster than expected in the future as a result of a larger workforce, salary increases and headcount increases. We may be unable to offset the increase in labor costs through increased selling prices or productivity gains. If labor costs increase further, our operating costs will also increase, which could, if we are unable to recover these cost increases from our customers through increased selling prices or offset such cost increases through labor productivity gains or other measures, have a material adverse effect on our business, results of operations and financial condition.

Environmental, health and safety regulations relating to our operations could subject us to increasing costs or fines.

Our operations and properties are subject to a wide variety of European directives and regulations, national, state and local laws, rules, taxes and regulations relating to the protection of the environment, workers' health and safety and the use, management, storage and disposal of hazardous substances, wastes and other regulated materials. These include, in particular, requirements governing the disposal of used oil, batteries, tires and other materials processed in our recycling business. These laws, rules and regulations may affect the way in which we conduct our operations, and the failure to comply with these regulations could lead to fines and other penalties.

In addition, because we operate property, various environmental laws also may impose liability on us for the costs of cleaning up and responding to hazardous substances that may have been released on our property, including releases unknown to us. These environmental laws and regulations also could require us to pay for environmental remediation and response costs at third-party locations where we disposed of or recycled hazardous substances.

With environmental regulations becoming increasingly stringent our future costs of complying with the various environmental requirements, as they now exist or may be altered in the future, could adversely affect our financial condition or results of operations. Such expenses could have a material adverse effect on our business, financial condition or results of operations.

We may incur material losses and costs as a result of product liability and warranty or recall claims that may be brought against us.

We may be exposed to product liability and warranty claims in the event that the products that we sell, particularly the truck spare parts we sell, actually or allegedly fail to perform as expected, or the use of our product results, or is alleged to result, in bodily injury and/or property damage. Accordingly, we could experience material warranty or product liability losses in the future and incur significant costs to defend these claims. In addition, if any of the products that we distribute are, or are alleged to be, defective, we may be required to participate in a recall of that product if the defect or the alleged defect relates to safety. We may not be able to pass these liabilities through to the product manufacturer, whether due to unfavorable supplier warranties or supplier credit issues. Product liability, warranty and recall costs may have a material adverse effect on our business, financial condition or results of operations.

We could face exposure to product liability claims for products that we import from countries outside the European Union and sell under our own trademark.

As a distributor of spare parts, we may be held liable for defective products if we brand products with our trademark, such as ISOTECH, and present ourselves as the producer of such products or we distribute products imported from countries outside of the European Union. Some of the products that we distribute are branded with our ISOTECH trademark. In addition, we sell products imported from countries outside the European Union. By selling products under our trademark or imported from countries outside the European Union, we may be held liable for any unforeseen defects in products requiring repair under warranty or recall, which, notwithstanding possible recourse against the relevant manufacturer and supplier, could have a material adverse effect on our business, results of operations and financial condition.

We are subject to risks from legal and arbitration proceedings, which could adversely affect our results of operations and financial condition.

From time to time we are involved in labor, tax and commercial legal proceedings, the outcomes of which are difficult to predict. We could become involved in legal disputes in the future which may involve substantial claims for damages or other payments. Although individually these proceedings do not typically involve substantial amounts, in the aggregate such proceedings or any increase in the number of such proceedings may have a material adverse effect on our business, results of operations and financial condition. As of October 31, 2013, our provision for litigation amounted to €8.3 million.

In the event of a negative outcome of any material legal proceeding, whether based on a judgment or a settlement agreement, we could be obligated to make substantial payments, which could have a material adverse effect on our business, results of operations and financial condition. In addition, the costs related to litigation proceedings may be significant. Even if there is a positive outcome of such proceedings, any negative publicity surrounding assertions against our business or products could adversely affect our reputation and we may still have to bear part or all of our advisory and other costs to the extent they are not reimbursable by other litigants, insurance or otherwise, which could have a material adverse effect on our business, results of operations and financial condition. See "*Business—Legal proceedings*."

Changes in tax laws or challenges to our tax position could adversely affect our results of operations and financial condition.

We are subject to complex tax laws in each of the jurisdictions in which we operate. Changes in tax laws could adversely affect our tax position, including our effective tax rate or tax payments. In addition, European and French tax laws and regulations are extremely complex and are subject to varying interpretations. We often rely on generally available interpretations of tax laws and regulations in the jurisdictions in which we operate. We cannot be certain that the relevant tax authorities are in agreement with our interpretation of these laws. If our tax positions are challenged by relevant tax authorities, the imposition of additional taxes could require us to pay taxes that we currently do not collect or pay or increase the costs of our products or services to track and collect such taxes, which could increase our costs of operations and have a negative effect on our business, results of operations and financial condition.

We are subject to certain competition and antitrust laws.

Our business is subject to applicable competition and antitrust laws, as well as rules and regulations of the European Union. We may become subject to legal action or investigations and proceedings by national and supranational competition and antitrust authorities for alleged infringements of antitrust laws, which could result in fines or other forms of liability, or otherwise damage our business reputation, which could have a material adverse effect on our business, results of operations and financial condition. Such laws and regulations could limit or prohibit our ability to grow in certain markets.

The interests of our principal shareholders may not correspond with the interests of the holders of the Notes.

Currently, we are directly or indirectly majority owned by TowerBrook and Investcorp. See "*Principal shareholders*." As a result, TowerBrook and Investcorp are able to control matters requiring shareholder approval, including the election and removal of our directors, our corporate and management policies, potential mergers or acquisitions, the payment of dividends, asset sales and other significant corporate transactions. The interests of TowerBrook and Investcorp could conflict with the interests of the holders of the Notes, particularly if we encounter financial difficulties or are unable to pay our debts when due. For example, TowerBrook and Investcorp could cause us to pursue acquisitions, divestitures, financings, dividend distributions or other transactions or cause us to incur additional indebtedness, in each case so long as the Indenture, the Revolving Credit Facility Agreement and the Intercreditor Agreement so permit. Such transactions could, in their judgment, enhance their equity investments, even though such transactions might involve risks to the holders of the Notes. The incurrence of additional indebtedness would increase our debt service obligations and the sale of certain assets could reduce our ability to generate revenues, each of which could adversely affect holders of the Notes. Furthermore, TowerBrook and Investcorp may sell all or any part of their shareholding at any time or look to reduce their holding by means of a sale to a strategic investor, an equity offering or otherwise.

Additionally, TowerBrook and Investcorp are in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete directly or indirectly with us. TowerBrook and Investcorp may also pursue acquisition opportunities that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us. So long as investment funds associated with or designated by TowerBrook and Investcorp collectively continue to own a significant amount of our capital stock, even if such amount is less than 50%, TowerBrook and Investcorp will continue to be able to strongly influence or effectively control our decisions. The interests of TowerBrook and Investcorp may not coincide with your interests.

Risks related to our indebtedness and the Notes

Each of the Issuer and the Parent Guarantor is a holding company that has no revenue-generating operations of its own and will depend on cash from its operating subsidiaries to be able to make payments on the Notes, as applicable.

Each of the Issuer and the Parent Guarantor is a holding company with no business operations other than the equity interests it will hold in its subsidiaries, and in the case of the Issuer, certain operations related to the management of our Group. Each of the Issuer and the Parent Guarantor will be dependent upon the cash flow from their operating subsidiaries in the form of dividends or other distributions or payments to meet its obligations, including the Issuer's obligations under the Notes and the Parent Guarantor's obligations under the Parent Guarantee. The amount of dividends and distributions available to each of the Issuer and the Parent Guarantor will depend on the profitability and cash flows of its subsidiaries and the ability of those subsidiaries to issue dividends under applicable law. The subsidiaries of the Issuer and the Parent Guarantor, however, may not be able to, or may not be permitted under applicable law to, make distributions or advance upstream loans to the Issuer or the Parent Guarantor to make payments in respect of their respective obligations, including under the Notes and the Parent Guarantee. In addition, the subsidiaries and affiliates of the Issuer (including all of the subsidiaries of the Issuer, other than Autodistribution S.A. (as of the Additional Guarantor Accession Date), that do not guarantee the Notes have no obligation to make payments with respect to the Notes.

The Notes will be structurally subordinated to the liabilities of non-guarantor subsidiaries.

As of the Issue Date, none of the Issuer's subsidiaries will guarantee the Notes, and as of the Additional Guarantor Accession Date, none of the Issuer's subsidiaries other than Autodistribution S.A. will guarantee the Notes. The amount enforceable under the Guarantees may be limited, and the validity and enforceability of the Guarantees will be subject to the limitations described in "*Limitations on validity and enforceability of the Guarantees and the security interests*." By virtue of these limitations, a Guarantor's obligation under its Guarantee could be significantly less than amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Guarantee. In particular, the Guarantee of Autodistribution S.A. is expected to be limited in value to an amount not greater than the amount of the loan(s) of the proceeds of this Offering made to and used by Autodistribution S.A., which is expected to be between approximately €66 million and €76 million if the Completion Date occurs, or €13.6 million otherwise, as described in this Offering Memorandum under "*Use of proceeds*." Other indebtedness of the relevant Guarantor may not be similarly limited. None of the Issuer's non-guarantor subsidiaries will have any obligation to pay amounts due under the Notes or to make funds available for that purpose. Generally, holders of indebtedness of, and trade creditors of, non-guarantor subsidiaries, including lenders under bank financing agreements, are entitled to payments of their claims from the assets of such subsidiaries before these assets are made available for distribution to the Issuer or the Parent Guarantor as a direct or indirect shareholder of such subsidiaries.

Accordingly, in the event that any non-guarantor subsidiary becomes insolvent, is liquidated, reorganized or dissolved or is otherwise wound up other than as part of a solvent transaction:

- the creditors of the Issuer (including the holders of the Notes) and the Parent Guarantor will have no right to proceed against the assets of such subsidiary; and
- the creditors of such non-guarantor subsidiary, including trade creditors, will generally be entitled to payment in full from the sale or other disposal of the assets of such subsidiary before the Issuer or the Parent Guarantor, as a direct or indirect shareholder, will be entitled to receive any distributions from such subsidiary.

As such, the Notes and the Guarantees will be structurally subordinated to the creditors (including trade creditors) and any preferred stockholders of our non-guarantor subsidiaries. As of October 31, 2013, after giving pro forma effect to the issuance of the Notes and the Refinancing, our non-guarantor subsidiaries would have had total debt of €11.4 million, all of which would have ranked structurally senior to the Notes and the Guarantees. Any of the debt that the Issuer's non-guarantor subsidiaries incur in the future in accordance with the Indenture will rank structurally senior to the Notes and the Guarantees.

Our significant leverage may make it difficult for us to operate our businesses.

We currently have and, after the issuance of the Notes will continue to have, a significant amount of outstanding debt with substantial debt service requirements. As of October 31, 2013, and as adjusted to give effect to the Transactions, our pro forma third-party borrowings would have been €251.4 million, which reflects external loans and borrowings (including finance leases), of which €240.0 million (including €40.0 million in aggregate principal amount of Notes the proceeds of which have been placed in escrow potentially to finance the Contemplated ACR Acquisition) would have been represented by the Notes. The terms of the Indenture will permit the Issuer and its restricted subsidiaries to incur substantial additional indebtedness, including in respect of committed borrowings of up to €20.0 million under the Revolving Credit Facility. See "*Capitalization*."

Our significant leverage could have important consequences for our business and operations, including, but not limited to:

- making it more difficult for us to satisfy our obligations with respect to the Notes and our other debt and liabilities;
- requiring us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thereby reducing the availability of our cash flow to fund internal growth through working capital and capital expenditures and for other general corporate purposes;

- increasing our vulnerability to a downturn in our business or general economic or industry conditions;
- placing us at a competitive disadvantage relative to competitors that have lower leverage or greater financial resources than we have;
- limiting our flexibility in planning for or reacting to competition or changes in our business and industry;
- negatively impacting credit terms with our creditors;
- restricting us from pursuing strategic acquisitions or exploiting certain business opportunities; and
- limiting, among other things, our and our subsidiaries' ability to borrow additional funds or raise equity capital in the future and increasing the costs of such additional financings.

Any of these or other consequences or events could have a material adverse effect on our ability to satisfy our debt obligations, including the Notes. Our ability to make payments on and refinance our indebtedness and to fund working capital expenditures and other expenses will depend on our future operating performance and ability to generate cash from operations. Our ability to generate cash from operations is subject, in large part, to general economic, competitive, legislative and regulatory factors and other factors that are beyond our control. We may not be able to generate sufficient cash flow from operations or obtain enough capital to service our debt or fund our planned capital expenditures.

The Contemplated ACR Acquisition is subject to significant uncertainties and risks.

We are currently in exclusive negotiations regarding the Contemplated ACR Acquisition.

On the Issue Date, €40.0 million of the gross proceeds from this Offering will be placed in escrow and held pending the satisfaction of certain conditions, some of which are outside of our control. If any of these conditions is not satisfied, the escrow will not be released. Accordingly, there can be no assurance that the escrow will be released. Upon delivery to the Escrow Agent of an officer's certificate stating that the conditions to the escrow are satisfied, the escrowed funds will be released to the Issuer and utilized to fund the Contemplated ACR Acquisition. See "*Description of Senior Secured Notes—Escrow of proceeds; Special Mandatory Redemption.*"

If the Contemplated ACR Acquisition does not occur by May 31, 2014, if the proceeds held in escrow are not used to fund the Contemplated ACR Acquisition or in the event of certain other events that trigger escrow termination, €40.0 million of the Notes will be subject to a special mandatory redemption as described in "*Description of Senior Secured Notes—Escrow of proceeds; Special Mandatory Redemption*" and you may not obtain the return you expect to receive on the Notes. Your decision to invest in the Notes is made at the time of purchase. Changes in our business or financial condition, or the terms of the Contemplated ACR Acquisition or the financing thereof, between the closing of this Offering and the Completion Date, will have no effect on your rights as a purchaser of the Notes.

We may incur substantially more debt in the future, which may make it difficult for us to service our debt, including the Notes, and impair our ability to operate our businesses.

We may incur substantial additional debt in the future. Any debt that our non-guarantor subsidiaries incur will be structurally senior to the Notes if such subsidiaries do not guarantee the Notes, and such debt could be secured or could mature prior to the Notes. Although the Revolving Credit Facility Agreement and the Indenture will contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions, and under certain circumstances the amount of indebtedness that could be incurred in compliance with these restrictions could be substantial. Borrowings under debt instruments that contain cross-acceleration or cross-default provisions, including the Notes, may as a result also be accelerated and become due and payable. We may be unable to pay these debts in such circumstances. The incurrence of additional debt would increase the leverage related risks described above. In addition, the Revolving Credit Facility and the Indenture will not prevent us from incurring obligations or entering other arrangements that do not constitute indebtedness under those agreements, such as receivables securitization financings. For a discussion of our cash flows and liquidity, see "*Management's discussion and analysis of financial condition and results of operations—Liquidity and capital resources*."

We may not be able to generate sufficient cash to service our indebtedness, including due to factors outside our control, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our businesses may not generate sufficient cash flows from operations to make payments on our debt obligations, and additional debt and equity financing may not be available to us in an amount sufficient to enable us to pay our debts when due, or to refinance such debts, including the Notes. If our future cash flows from operations and other capital resources are insufficient to pay obligations as they mature or to fund our liquidity needs, we may be forced to:

- reduce or delay our business activities, planned acquisitions and capital expenditures;
- sell assets;
- obtain additional debt or equity financing; or
- restructure or refinance all or a portion of our debt, including the Notes, on or before maturity. We can provide no assurance that we would be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all.

Our ability to restructure or refinance our debt will depend in part on our financial condition at such time. Any refinancing of our debt could be at higher interest rates than our current debt and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments and the Indenture may restrict us from adopting some of these alternatives. Furthermore, we may be unable to find alternative financing, and even if we could obtain alternative financing, it might not be on terms that are favorable or acceptable to us. If we are not able to refinance any of our debt, obtain additional financing or sell assets on commercially reasonable terms or at all, we may not be able to satisfy our debt obligations, including under the Notes. In such an event, borrowings under other debt agreement or instruments that contain cross-default or cross-acceleration provisions may become payable on demand, and we may not have sufficient funds to repay all our debts, including the Notes.

In addition, any failure to make payments of interest or principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. The terms of our indebtedness, including under the Indenture, restrict our ability to transfer or sell assets and to use the proceeds from any such disposition. We may not be able to consummate certain dispositions or to obtain the funds that we could have realized from the proceeds of such dispositions, and any proceeds we do realize from asset dispositions may not be adequate to meet any of our debt service obligations then due.

We are subject to covenants which limit our operating and financial flexibility and, if we default under our debt covenants, we may not be able to meet our payment obligations.

Our new Revolving Credit Facility and the Indenture will contain covenants that impose significant restrictions on the way we can operate, including restrictions on our ability to:

- incur or guarantee additional debt and issue preferred stock;
- create or incur certain liens;
- make certain payments, including dividends or other distributions;
- prepay or redeem subordinated debt or equity;
- make certain investments or acquisitions, including participating in joint ventures;
- engage in certain transactions with affiliates;
- create unrestricted subsidiaries;
- create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances to, and on the transfer of, assets to the Issuer or any restricted subsidiary;

- sell assets, consolidate or merge with or into other companies;
- sell or transfer all or substantially all our assets or those of our subsidiaries on a consolidated basis;
- change the "center of main interests" of any Dutch Security Providers;
- impair security interests for the benefit of the holders of the Notes; and
- issue or sell share capital of certain subsidiaries.

All of these limitations will be subject to significant exceptions and qualifications. See "*Description of the Senior Secured Notes—Certain covenants*." These covenants could limit our ability to finance future operations and capital needs and our ability to pursue acquisitions and other business activities that may be in our interest. Our ability to comply with these covenants and restrictions may be affected by events beyond our control. These include prevailing economic, financial and industry conditions. If we breach any of these covenants or restrictions, in addition to being in default under the Indenture and the Notes, we could be in default under the terms of the Revolving Credit Facility Agreement, and the relevant lenders could elect to declare the debt, together with accrued and unpaid interest and other fees, if any, immediately due and payable and proceed against any collateral securing that debt. This would also result in an event of default under the Indenture. If the debt under the Revolving Credit Facility Agreement, the Notes or the Guarantees or any other material financing arrangement that we enter into were to be accelerated, our assets may be insufficient to repay in full the Notes and our other debt.

The Revolving Credit Facility also requires our subsidiaries to maintain a specified financial maintenance test. The ability to meet this test could be affected by a deterioration in our operating results, as well as by events beyond our control, including increases in raw materials prices and unfavorable economic conditions, and we cannot assure you that this test will be met. If an event of default occurs under the Revolving Credit Facility, the lenders thereunder could terminate their commitments and declare all amounts borrowed, together with accrued and unpaid interest and other fees, to be immediately due and payable. Borrowings under other debt instruments, including the Notes, that contain cross-acceleration or cross-default provisions also may be accelerated or become payable on demand. In these circumstances, our assets may not be sufficient to repay in full that indebtedness and our other indebtedness then outstanding, including the Notes. See "*Description of certain financing arrangements—Revolving Credit Facility Agreement.*"

French tax legislation may restrict the deductibility, for French tax purposes, of all or a portion of the interest on our indebtedness incurred in France, thus reducing the cash flow available to service our indebtedness.

Under current French thin capitalization rules, the deduction of interest paid on loans granted by a related party or on loans granted by a third party that are guaranteed by a related party may be subject to certain limitations. Notably, deductions for interest paid on such loans may be partially disallowed in the financial year during which they are accrued if such interest exceeds each of the following: (i) the amount of interest multiplied by the ratio of (a) 1.5 times the company's net equity and (b) the average amount of indebtedness owed to related parties (or to third parties assimilated to related parties) over the relevant financial year; (ii) 25% of the company's earnings before tax and extraordinary items (as adjusted for the purpose of these limitations); and (iii) the amount of interest received by the indebted company from related parties. Deductions may be disallowed for the portion of interest that exceeds in a relevant financial year the highest of the above three limitations if such portion of interest exceeds €150,000, unless the company is able to demonstrate for the relevant fiscal year that the indebtedness ratio of the group to which it belongs is higher or equal to its own indebtedness ratio. Specific rules apply to companies that belong to French tax-consolidated groups.

In addition, Article 209 § IX of the French Tax Code (*Code général des impôts*) (the "FTC") imposes restrictions on the deductibility of interest expenses incurred by a French company if such company has acquired shares of another company qualifying as "*titres de participation*" within the meaning of Article 219 I A *quinquies* of the FTC and if such acquiring company cannot demonstrate, with respect to the fiscal years running over the twelve-month period from the acquisition of the shares (or with respect to the first fiscal year commencing after January 1, 2012 for shares acquired during a fiscal year that commences prior to such date), that (i) the decisions relating to such acquired shares are actually taken by the company having acquired them (or, as the case may be, by a company controlling the acquiring company or by a company directly controlled by such controlling company, within the meaning of Article L 233-3 §I of the French Commercial Code *(Code de commerce)*, that is located in France) and (ii) where control or an influence is exercised over the acquired company, such control or influence is exercised by the acquiring company (or, as the case may be, by a company controlling the acquiring company or by a company directly controlled by such controlling company, within the meaning of Article L 233-3 §I of the French Commercial Code, that is located in France).

Moreover, Article 212 *bis* of the FTC aims to generally limit the deductibility of net financial charges, which is defined as the portion of financial charges exceeding financial income, accrued by companies that are subject to French corporate income tax. Pursuant to this Article and subject to certain exceptions, net financial charges incurred by French companies that are subject to French corporate income tax and are not members of a French tax group are deductible from their taxable result only up to 85% of their amount in respect of fiscal years ended as from December 31, 2012 and only up to 75% of their amount in respect of fiscal years commencing as from January 1, 2014, to the extent that such companies' net financial charges are at least equal to €3.0 million in a given fiscal year. Under Article 223 B *bis* of the FTC, special rules apply to companies that belong to French tax-consolidated groups. The 85% or 75% limitation applies to the aggregate net financial charges incurred by companies that are members of the French tax-consolidated group with respect to amounts made available by lenders outside such group, to the extent that the companies' consolidated net financial charges are at least equal €3.0 million in a given fiscal year.

For fiscal years ended on or after September 25, 2013, the deductibility of interest paid to a related party within the meaning of Article 39.12 of the FTC will be subject to a new limitation pursuant to Article 22 of the French Finance Law for 2014. Interest deduction will be subject to an additional requirement: if the lender is a related party to the borrower within the meaning of Article 39.12 of the FTC, the French borrower shall now demonstrate, at the French tax authorities' request, that the lender is, for the current fiscal year and with respect to the concerned interest, subject to an income tax in an amount which is at least equal to 25% of the corporate income tax determined under standard French tax rules. Where the related party lender is domiciled or established outside France, the corporate income tax determined under standard French tax rules shall mean that to which it would have been liable in France on the interest received if it had been domiciled or established in France. Specific rules apply where the lender is a pass-through entity for French tax purposes or a UCITS or a similar entity.

These tax rules may limit our ability to deduct interest accrued on our indebtedness incurred in France and, as a consequence, may increase our tax burden and reduce the cash flow available to service our indebtedness, which could adversely affect our business, results of operations and financial condition.

We may not have the ability to raise the funds necessary to finance an offer to repurchase the Notes upon the occurrence of certain events constituting a change of control as required by the Indenture, and the change of control provision contained in the Indenture may not necessarily afford you protection in the event of certain important corporate events.

Upon the occurrence of certain events constituting a "change of control," the Issuer will be required to offer to repurchase all outstanding Notes at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase plus accrued and unpaid interest and additional amounts, if any, to the date of purchase. If a change of control were to occur, we cannot assure you that we would have sufficient funds available at such time, or that we would have sufficient funds to provide to the Issuer to pay the purchase price of the outstanding Notes or that the restrictions in our Revolving Credit Facility Agreement, the Intercreditor Agreement or our other than existing contractual obligations would allow us to make such required repurchases. A change of control may result in an event of default under, or the acceleration of, our Revolving Credit Facility Agreement and other indebtedness. The repurchase of the Notes pursuant to such an offer could cause a default under such indebtedness, even if the change of control itself does not. The ability of the Issuer to receive cash from its respective subsidiaries to allow it to pay cash to the holders of the Notes, following the occurrence of a change of control, may be limited by our then existing financial resources. Sufficient funds may not be available when necessary to make any required repurchases. If an event constituting a change of control occurs at a time when we are prohibited from providing funds to the Issuer for the purpose of repurchasing the Notes, we may seek the consent of the lenders under such indebtedness to the purchase of the Notes or may attempt to refinance the borrowings that contain such prohibition. If such a consent to repay such borrowings is not obtained, the Issuer will remain prohibited from repurchasing any Notes. In addition, we expect that we would require third-party financing to make an offer to repurchase the Notes upon the occurrence of a change of control. We cannot assure you that we would be able to obtain such financing.

Any failure by the Issuer to offer to purchase the Notes would constitute a default under the Indenture, which would, in turn, constitute a default under the Revolving Credit Facility Agreement and certain other indebtedness. See "*Description of the Senior Secured Notes—Change of Control*." The change of control provision contained in the Indenture may not necessarily afford you protection in the event of certain important corporate events, including a reorganization, restructuring, merger, recapitalization or other similar transaction involving us that may adversely affect you, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a "Change of Control" (as defined in the Indenture).

In addition, the occurrence of certain events that might otherwise constitute a change of control will be deemed not to be a change of control, provided that upon consummation thereto, a certain consolidated leverage ratio of the Issuer and its subsidiaries is met.

The definition of "Change of Control" in the Indenture will include a disposition of all or substantially all of the assets of the Issuer and its restricted subsidiaries, taken as a whole, to any person. Although there is a limited body of case law interpreting the phrase "all or substantially all," there is no precise, established definition of that phrase under applicable law. Accordingly, in certain circumstances, there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the Issuer's assets and its restricted subsidiaries taken as a whole. As a result, it may be unclear as to whether a change of control has occurred and whether the Issuer is required to make an offer to repurchase the Notes.

Corporate benefit, financial assistance laws and other limitations on the Guarantees or the Dutch Security Providers may adversely affect the validity and enforceability of the Guarantees of the Notes or security interests in the Collateral.

The Guarantors will guarantee and will provide security in respect of, and the Dutch Security Providers will provide security in respect of, the payment of the Notes on a senior basis. The Guarantors and the Dutch Security Providers are incorporated under the laws of France and the Netherlands, respectively. Enforcement of the obligations under a Guarantee against the Guarantors or the enforcement of a security interest in the Collateral will be subject to certain defenses available to the Guarantors or a Dutch Security Provider in the relevant jurisdiction, as the case may be. Although laws differ in these jurisdictions, these laws and defenses may include those that relate to fraudulent conveyance or transfer, financial assistance, corporate purpose or benefit, voidable preference, insolvency or bankruptcy challenges, preservation of share capital, thin capitalization, capital maintenance or similar laws and regulations or defenses affecting the rights of creditors generally. If one or more of these laws and defenses are applicable, the Guarantors may have no liability or decreased liability under its Guarantee or the security interest in the Collateral may be void or may not be enforceable depending on the amounts of its other obligations and applicable law. Limitations on the enforceability of judgments obtained in New York courts in such jurisdictions could limit the enforceability of the Guarantees against the Guarantors or security interest in the Collateral against any the Guarantor or any Dutch Security Provider.

France

Under French financial assistance rules, a company is prohibited from guaranteeing indebtedness of another company that is used, directly or indirectly, for the purpose of its acquisition.

Under French corporate benefit rules, a court could declare any guarantee unenforceable and, if payment had already been made under the relevant guarantee, require that the recipient return the payment to the relevant guarantor, if the court found that the French guarantor did not receive some real and adequate corporate benefit from the transaction involving the grant of the guarantee as a whole. The existence of corporate benefit is a factual matter which must be determined on a case-by-case basis. French case law has recognized that certain intragroup transactions (including upstream guarantees) can be in the corporate interest of the relevant company, particularly, where the following four criteria are fulfilled:

- the existence of a genuine group of companies operating under a common strategy aimed at a common objective;
- the risk assumed by a French guarantor must be proportionate to the benefit;
- the transaction must maintain a balance between the financial commitments of the relevant affiliates;
- the French guarantor must receive an actual and adequate benefit, consideration or advantage from the transaction involving the granting by it of the guarantee; and
- the obligations of the French guarantor under the guarantee must not exceed its financial capability.

The existence of a real and adequate benefit to the guarantor and whether the amounts guaranteed are commensurate with the benefit received are matters of fact as to which French case law provides no clear guidance.

The Guarantees provide the holders of the Notes with a direct claim against the Guarantors. However, the Indenture will provide that each Guarantee and the amounts recoverable thereunder will be limited to the maximum amount that can be guaranteed by the relevant Guarantor without rendering its relevant Guarantee voidable or otherwise ineffective under applicable law, and enforcement of each Guarantee would be subject to certain generally available defenses. In addition, should a Guarantee be granted by a Guarantor (other than the Parent Guarantor) incorporated under the laws of France, such Guarantee would be limited to the aggregate amount of the Notes proceeds on-lent, directly or indirectly, to such French Guarantor and outstanding from time to time. Any payment that would be made by such Guarantor under its Guarantee would reduce the maximum amount of its Guarantee. See "*Limitations on validity and enforceability of the Guarantees and the security interests*."

The Netherlands

Dutch law may limit the ability of a Dutch Security Provider to grant security on the Collateral. The validity and enforceability of a security interest granted by or in the Dutch Security Providers may be successfully contested by the relevant Dutch Security Provider, or its trustee in bankruptcy if it is subject to bankruptcy proceedings, on the basis of an ultra vires claim, which will be successful if both (i) the granting of the security right does not fall within the scope of the objects clause as set forth in the company's articles of association (*doeloverschrijding*) and (ii) the company's counterparty under the relevant security right knew or ought to have known, without inquiry, of this fact. In determining whether the granting of a security right is in furtherance of the objects and purposes of a Dutch company, a court will consider (i) the text of the objects clause in the company's articles of association, (ii) whether the granting of such security right is in the company's corporate interests (*vennootschappelijk belang*) and to its benefit and (iii) whether the company's subsistence is jeopardized by the granting of such security right. The mere fact that a certain legal act (*rechtshandeling*) is explicitly reflected in a Dutch company's objects clause may not be conclusive evidence that such legal act is not ultra vires. See "*Limitations on validity and enforceability of the Guarantees and the security interests*."

The Notes, the Guarantees and the security interests in the Collateral may be declared unenforceable against third parties under fraudulent conveyance laws.

French and Dutch laws contain similar specific provisions dealing with fraudulent conveyance both in and outside bankruptcy; the "*action paulienne*" provisions in France and the "*actio paulina*" provisions in the Netherlands. The *action paulienne* and *actio paulina* provisions offer creditors protection against a decrease in their means of recovery. A legal act performed by a person (including, without limitation, an agreement pursuant to which the person guarantees the performance of the obligations of a third party or agrees to provide or provides security for any of its or a third party's obligations, enters into additional agreements benefiting from existing security and any other legal act having similar effect) can be challenged in or outside bankruptcy of the relevant person by the bankruptcy trustee in a bankruptcy of the relevant person or by any of the creditors of the relevant person outside bankruptcy, and may be declared unenforceable against third parties under both French and Dutch law if: (i) the person performed such acts without an obligation to do so; (ii) the creditor concerned or, in the case of the person's bankruptcy, any creditor, was prejudiced in its means of recovery as a consequence of the act; and (iii) at the time the act was performed both the person and the counterparty to the transaction knew or should have known that one or more of its creditors (existing or future) would be prejudiced in their means of recovery, unless the act was entered into for no consideration ("*à titre gratuit*" in France and "*om niet*" in the Netherlands) in which case such knowledge of the counterparty is not necessary for a successful challenge on grounds of fraudulent conveyance.

In addition, in the case of the bankruptcy of a Dutch Security Provider, the trustee in bankruptcy may nullify the debtor's performance of any due and payable obligation (including (without limitation) an obligation to provide security for any of its or a third party's obligations) if (i) the payee knew that a request for bankruptcy had been filed at the moment of performance or (ii) the performance of the obligation was the result of a consultation between the debtor and the payee in order to give preference to the latter over the debtor's other creditors. If a court finds that the issuance of the Notes, the granting of the security interests in the intercompany proceeds loans, the share pledges or bank accounts pledges, or the granting of a guarantee involved a fraudulent conveyance that did not qualify for any defense under applicable law, then the issuance of the Notes, the granting of the security interests in the intercompany proceeds loans, the share pledges or bank accounts pledges or the granting of such guarantee could be declared unenforceable or nullified. As a result of such successful challenges, holders of the Notes may not benefit from the Notes, the Guarantees or the security interests in the intercompany proceeds loans, the share pledges or bank account pledges and the value of any consideration that holders of the Notes received with respect to the Notes, the security interests in the intercompany proceeds loans, the share pledges or bank account pledges or the Guarantees could also be subject to recovery from the holders of the Notes and, possibly, from subsequent transferees. In addition, under such circumstances, holders of the Notes might be held liable for any damages incurred by prejudiced creditors of the Issuer, the Guarantors or the Dutch Security Providers as a result of the fraudulent conveyance. See "*Limitations on validity and enforceability of the Guarantees and the security interests—France*" and "*Limitations on validity and enforceability of the Guarantees and the security interests—The Netherlands*."

Enforcing your rights as a holder of the Notes or under the Guarantees or security interests in the Collateral across multiple jurisdictions may be difficult.

The Notes will be issued by the Issuer, a company that is organized and established under the laws of France, and will be guaranteed by the Guarantors, which are also organized under the laws of France, and secured by security interests in the Collateral provided by the Guarantors, the Issuer and the Dutch Security Providers (which are incorporated under the laws of the Netherlands). In the event of a bankruptcy, insolvency or similar event, proceedings could be initiated in any of these jurisdictions. The rights of holders of the Notes under the Guarantees or under security interests in the Collateral will thus be subject to the laws of a number of jurisdictions, and it may be difficult to enforce such rights in multiple bankruptcy, insolvency and other similar proceedings. Moreover, such multi-jurisdictional proceedings are typically complex and costly for creditors. In addition, the bankruptcy, insolvency, administration and other laws of France may be materially different from, or in conflict with, one another, including creditors' rights, the priority of creditors, the ability to obtain post-petition interest and the duration of the insolvency proceedings. The application of these various laws in these jurisdictions could trigger disputes over which jurisdiction's law should apply and could adversely affect the ability to realize any recovery under the Notes and the Guarantees or under security interests in the Collateral.

Moreover, in certain jurisdictions, it is unclear whether all security interests in the Collateral give the Security Agent a right to prevent other creditors from foreclosing on and realizing the Collateral or whether certain security interests only give the Security Agent and the holders of the Notes priority (according to their rank) in the distribution of any proceeds of such realization. Accordingly, the Security Agent and the holders of the Notes may not be able to avoid foreclosure by other creditors (including unsecured creditors) on the Collateral. See "*Limitations on validity and enforceability of the Guarantees and the security interests*."

Under Dutch and French law, enforcement of a security interest in the Collateral provided by a Dutch Security Provider, the Parent Guarantor or the Issuer, as the case may be, may be adversely affected by specific or general defenses available to debtors under Dutch or French law, as the case may be, in respect of the validity, binding effect and enforceability of such security interest.

The insolvency and administrative laws of France and the Netherlands, as the case may be, may not be favorable to creditors, including investors in the Notes, and may limit your ability to enforce your rights under the Notes, the Guarantees or the security interests in the Collateral.

The Notes will be issued by the Issuer and will be guaranteed by the Guarantors, which are both organized and existing under the laws of France. In the event of a bankruptcy, insolvency or similar event, proceedings could be initiated in France or the Netherlands. Proceedings could also be initiated in France or the Netherlands to enforce your rights against Collateral located in those jurisdictions. Such multi-jurisdictional proceedings are likely to be complex and costly for creditors and otherwise may result in greater uncertainty and delay regarding the enforcement of your rights. There can also be no assurance that you will be able to enforce your rights effectively in such complex, multiple bankruptcy, insolvency or similar proceedings. In addition, while the Dutch Security Providers conduct the majority of their business in the Netherlands, to the extent that their respective center of main interests is deemed to be in France, they would be subject to French insolvency proceedings, including court-assisted proceedings (*mandat ad hoc* or *conciliation* proceedings) and court-controlled insolvency proceedings (*sauvegarde*), accelerated financial safeguard proceedings (*sauvegarde financiére accélérée*), or reorganization or liquidation proceedings (*redressement* or *liquidation judiciaire*). In general, French insolvency legislation favors the continuation of a business and protection of employment over the payment of creditors and could limit the ability of holders of the Notes to enforce their rights. See "*Limitations on validity and enforceability of the Guarantees and the security interests—France*."

In the case of a bankruptcy (*faillissement*) or suspension of payments (*surseance van betaling*) declared in the Netherlands in respect of a person holding title to assets that constitute Collateral, the Security Agent will be entitled to exercise the rights afforded to a person having a Dutch law security right (such as a pledge (*pandrecht*)) over those assets as if there were no bankruptcy or suspension of payment. However, such a bankruptcy or suspension of payments could affect the position of the Security Agent as a secured party in some respects, the most important of which are: (i) the competent court may as a general rule set a period of up to four months during which the Security Agent may not, without the court's consent (a) claim the asset constituting Collateral if it is under the control of (*in de macht van*) the person holding title to the asset or, in the case of a bankruptcy, the trustee in bankruptcy (*curator*) or (b) seek recourse against the asset; and (ii) a trustee in bankruptcy may (a) give the Security Agent a reasonable period to exercise his other rights and remedies under the relevant security interests and (b) if the Security Agent fails to sell the asset within that period, claim the asset and sell it, without prejudice to the Security Agent's entitlement to the proceeds after deduction of a contribution to the bankruptcy costs and taking into account the Security Agent's rank.

Enforcement of a Dutch law security right (including allocation of the proceeds) is subject to Dutch law. Under Dutch law, in principle, a security right is enforced through a public auction of the asset subject to the security right in accordance with Dutch law. Shares in a Dutch private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) may be transferred only upon enforcement in accordance with Dutch law and the articles of association of the company that has issued the shares, as they read at the time of enforcement.

The Security Agent may request the competent court to approve a private sale of the asset subject to the security right. In the case of pledged assets, the Security Agent and the security interest provider may agree to an alternative method of sale of the asset once the pledge has become enforceable. The Security Agent may also request the competent court to determine that a pledged asset shall accrue to it for a price determined by the court. For more information, see "*Limitations on validity and enforceability of the Guarantees and the security interests—The Netherlands—Insolvency laws.*"

In addition, the bankruptcy, insolvency, administrative and other laws of the Parent Guarantor's, the Issuer's, Autodistribution S.A.'s or the Dutch Security Providers' jurisdiction of organization may be materially different from, or in conflict with, those of the United States, including in the areas of rights of creditors, priority of governmental and other creditors, the ability to obtain post-petition interest and duration of the proceedings. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's law should apply, adversely affect your ability to enforce your rights under the Notes, the Guarantees and the Collateral in those jurisdictions or limit any amounts that you may receive.

Finally, pursuant to the EU Council Regulation No. 1346/2000 on insolvency proceedings, the court that shall have jurisdiction to open insolvency proceedings in relation to a company is the court of the Member State (other than Denmark) where the company has its "center of main interests." Therefore, to the extent that the "center of main interests" of the Issuer is deemed to be in France, French courts may have jurisdiction over the insolvency proceedings of the Issuer. Furthermore, under the EU Council Regulation No. 1346/2000 on insolvency proceedings it is not clear where registered shares in a Dutch private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) are situated so that a court may determine that those shares are situated in France or in any other jurisdiction and the enforcement of a pledge of shares in that Dutch company may be affected by French insolvency laws or the laws of that other jurisdiction. For a brief description of certain aspects of insolvency law in France and the Netherlands and as required, the EU Insolvency Regulation, see "*Limitations on validity and enforceability of the Guarantees and the security interests*."

Investors may not be able to recover in civil proceedings for U.S. securities law violations.

The Issuer, the Parent Guarantor, Autodistribution S.A. and the Dutch Security Providers and their respective subsidiaries are organized outside the United States, and their business is conducted entirely outside the United States. All of the directors and executive officers of the Issuer, the Parent Guarantor and Autodistribution S.A. and the large majority of the directors and executive officers of the Dutch Security Providers are nonresidents of the United States. Although the Issuer, the Parent Guarantor, Autodistribution S.A. and the Dutch Security Providers will submit to the jurisdiction of certain New York courts in connection with any action under U.S. securities laws, you may be unable to effect service of process in the United States on the directors and executive officers of the Issuer, the Parent Guarantor, Autodistribution S.A. and the Dutch Security Providers. In addition, because all of the assets of the Issuer, the Parent Guarantor and the Dutch Security Providers and their respective subsidiaries and those of their directors and executive officers are located outside the United States, you may be unable to enforce against them judgments obtained in U.S. courts. Moreover, in light of recent decisions of the U.S. Supreme Court, actions of the Issuer, the Parent Guarantor, Autodistribution S.A. and the Dutch Security Providers may not be subject to the civil liability provisions of the federal securities laws of the United States.

The United States is not currently bound by a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitral awards, rendered in civil and commercial matters with France or the Netherlands. There is, therefore, doubt as to the enforceability in France or the Netherlands of civil liabilities based upon U.S. securities laws in an action to enforce a U.S. judgment in France or the Netherlands. In addition, the enforcement in France or the Netherlands of any judgment obtained in a U.S. court based on civil liabilities, whether or not predicated solely upon U.S. federal securities laws, will be subject to certain conditions. There is also doubt that a French or Dutch court would have the requisite power or authority to grant remedies sought in an original action brought in France or the Netherlands on the basis of U.S. securities laws violations. For further information, see "*Enforceability of judgments*."

Creditors under the Revolving Credit Facility and counterparties to certain hedging obligations and future indebtedness permitted to be incurred under the terms of the Indenture and the Intercreditor Agreement to rank pari passu with the Revolving Credit Facility are entitled to be repaid with recoveries from the enforcement of the Guarantee claims and proceeds from the enforcement of the Collateral in priority over the Notes.

The Intercreditor Agreement includes provisions governing the sharing of recoveries from guarantee claims and proceeds from enforcement of the Collateral. Such recoveries and enforcement proceeds are required to be turned over to the Security Agent after certain events, including the acceleration of the Notes or the Revolving Credit Facility. The Security Agent is required to pay turned-over amounts and other recoveries by the Security Agent from enforcement actions to discharge obligations under the Revolving Credit Facility or certain hedging obligations and future indebtedness in priority to paying any such amounts to discharge the Notes. As such, in the event of a foreclosure of the Collateral or the enforcement of the Guarantees, you may not benefit from such recoveries if the then outstanding claims under the Revolving Credit Facility or certain hedging obligations and future indebtedness are greater than the proceeds recovered. Any proceeds remaining from an enforcement sale of Collateral or the enforcement of the Guarantees will, after all obligations under the Revolving Credit Facility and such hedging obligations and, if applicable future Indebtedness that ranks *pari passu* with the Revolving Credit Facility have been discharged, be applied pro rata in repayment of the Notes.

In addition, the Revolving Credit Facility Agreement contains certain restrictions with respect to the use of proceeds from the sale of assets representing the Collateral prior to the maturity date of the Revolving Credit Facility. See "*Description of certain financing arrangements—Revolving Credit Facility Agreement—Maturity and repayment requirements*."

Furthermore, claims of our secured creditors that are secured by assets that do not also secure the Notes will have priority with respect to such assets over the claims of holders of the Notes. As such, the claims of the holders of the Notes will be effectively subordinated to the rights of such secured creditors to the extent of the value of the assets securing such indebtedness.

The granting of the security interests in the Collateral may create hardening periods for such security interests in accordance with the law applicable in certain jurisdictions.

The granting of new security interests in connection with the issuance of the Notes and the Revolving Credit Facility may create hardening periods for such security interests in certain jurisdictions. The applicable hardening period for these new security interests will run from the moment each new security interest has been granted, perfected or recreated. Each time, if the security interest granted, perfected or recreated were to be enforced before the end of the respective hardening period applicable in such jurisdiction, it may be declared void and/or it may not be possible to enforce it. See "*Limitations on validity and enforceability of the Guarantees and the security interests*."

In addition, the granting of a shared security interest to secure future indebtedness may restart or reopen hardening periods in certain jurisdictions. The applicable hardening period may run from the moment such new security is amended, granted or perfected. If the security interest granted were to be enforced before the end of the respective hardening period applicable in such jurisdiction, it may be declared void or ineffective and/or it may not be possible to enforce it.

You may be required to pay a "soulte" in the event you decide to enforce the securities account by judicial or contractual foreclosure of the Collateral consisting of shares rather than by a sale of such Collateral in a public auction.

Security interests governed by French law may only secure payment obligations, may only be enforced following a payment default and may only secure up to the secured amount that is due and remaining unpaid. Under French law, pledges over assets may generally be enforced at the option of the secured creditors either (i) pursuant to a judicial process (x) by way of a sale of the pledged assets in a public auction (the proceeds of the sale being paid to the secured creditors) or (y) by way of the judicial foreclosure (*attribution judiciaire*) of the pledged assets or (ii) by way of contractual foreclosure (*pacte commissoire*) of the pledged assets to the secured creditors, following which the secured creditors become the legal owner of the pledged assets. If the secured creditors choose to enforce by way of foreclosure (whether a judicial foreclosure or private foreclosure), the secured liabilities would be deemed extinguished up to the value of the foreclosed assets. Such value is determined either by the judge in the context of a judicial attribution or by a pre-contractually agreed expert in the context of a private attribution (*pacte commissoire*). In a proceeding regarding an *attribution judiciaire* or a *pacte commissoire*, an expert is appointed to value the collateral (in this case, the securities) and if the value of the collateral exceeds the amount of secured debt, the secured creditor may be required to pay the pledgor a *soulte* equal to the difference between the value of the securities and the amount of the secured debt. This is true regardless of the actual amount of proceeds ultimately received by the secured creditor from a subsequent sale of the Collateral.

If the value of such securities is less than the amount of the secured debt, the relevant amount owed to the relevant creditors will be reduced by an amount equal to the value of such securities, and the remaining amount owed to such creditors will be unsecured.

Should a holder of the Notes decline to request the judicial or contractual foreclosure of the securities, an enforcement of the pledged securities could be undertaken through a public auction in accordance with applicable law. Since such public auction procedures are not designed for a sale of a business as a going concern, however, it is possible that the sale price received in any such auction might not reflect the value of our business as a going concern.

It may be difficult to realize the value of the Collateral securing the Notes.

The Collateral securing the Notes will be subject to any and all exceptions, defects, encumbrances, liens and other imperfections permitted under the Indenture and/or the Intercreditor Agreement and accepted by other creditors that have the benefit of first-ranking security interests in the Collateral securing the Notes from time to time, whether on or after the date the Notes are first issued. The existence of any such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the Collateral, as well as the ability of the Security Agent to realize or foreclose on such Collateral. Furthermore, the ranking of security interests can be affected by a variety of factors, including, among others, the timely satisfaction of perfection requirements, statutory liens or recharacterization under the laws of certain jurisdictions.

The security interests of the Security Agent will be subject to practical problems generally associated with the realization of security interests over real or personal property such as the Collateral. For example, the Security Agent may need to obtain the consent of a third party, including that of competent regulatory authorities or courts, to enforce a security interest. We cannot assure you that the Security Agent will be able to obtain any such consents. We also cannot assure you that the consents of any third parties will be given when required to facilitate a foreclosure on such assets. Accordingly, the Security Agent may not have the ability to foreclose upon those assets, and the value of the Collateral may significantly decrease.

Holders of the Notes may not control certain decisions regarding the Collateral.

The obligations under the Notes and the Parent Guarantee are, and on the Additional Guarantor Accession Date, the obligations under the Subsidiary Guarantee will be, secured on a first-ranking basis with security interests over the Collateral that also secure our obligations under the Revolving Credit Facility and certain other indebtedness and hedging obligations (the "Super Senior Liabilities"). The Indenture also permits the Collateral to secure additional indebtedness in accordance with the terms thereof and the Intercreditor Agreement. The Intercreditor Agreement provides that the Security Agent will only enforce the Collateral as provided for in the Intercreditor Agreement, and regulates the ability of the Trustee or the holders of the Notes to instruct the Security Agent to take enforcement action. The Security Agent is not required to take enforcement action unless instructed to do so by an instructing group that consists of (i) creditors holding more than 66.67% of the indebtedness and commitments under the Revolving Credit Facility Agreement, certain other indebtedness permitted to rank pari passu with the Credit Facility Agreement on the proceeds of enforcement of Collateral (a "Credit Facility") and the certain priority hedging obligations (the "Majority Super Senior Creditors") and (ii) the holders of the aggregate principal amount of the then outstanding Notes, creditors in respect of indebtedness ranking *pari passu* with the Notes and creditors in respect of certain non-priority hedging obligations (the "Senior Secured Credit Participations") which aggregate more than 50% of the total Senior Secured Credit Participations at that time (the "Notes/Pari Passu Required Holders") (in each case acting through their respective creditor representatives). However, if and to the extent the obligations under the Super Senior Liabilities have not been fully discharged in cash within six months of such enforcement instructions first being issued or if Security Agent has not commenced enforcement action within three months of enforcement instructions first being issued or certain insolvency events occur and the Security Agent has not commenced any enforcement action, then the enforcement instructions provided by the Majority Super Senior Creditors will prevail.

Following the transaction security having become enforceable, a creditor representative acting on behalf of the Majority Super Senior Creditors or the Notes/Pari Passu Required Holders may at any time provide immediate enforcement instructions to the Security Agent if the Majority Super Senior Creditors or the Notes/Pari Passu Required Holders determine in good faith that to delay the taking of any enforcement action could reasonably be expected to have a material adverse effect on the Security Agent's ability to enforce any transaction security or the realization of enforcement proceeds. In such circumstances, the Security Agent shall act only with respect to the relevant asset or debtor that is the subject of such determination, in accordance with the first such notice of such determination and instructions as to enforcement received by the Security Agent, provided in each case that they are consistent with certain security enforcement principles.

If at any time an insolvency event has occurred with respect to any debtor (other than an insolvency event which is the direct result of any action taken by the Security Agent acting on the instructions of the Majority Super Senior Creditors or the Notes/Pari Passu Required Holders), the Security Agent shall act, to the extent the Majority Super Senior Creditors have provided such instructions, in accordance with the instructions received from the Majority Super Senior Creditors, provided that in the event the Security Agent has received Proposed Enforcement Instructions from the creditor representative for the Notes/Pari Passu Required Holders and has commenced Relevant Enforcement Action pursuant to such instructions, the Security Agent shall continue to act in accordance with the instructions of the creditor representative for the Notes/Pari Passu Required Holders until such time as the credit facility agent issues enforcement instructions to the Security Agent and such instructions shall override and supersede any such prior instructions given by the creditor representative for the Notes/Pari Passu Required Holders.

To the extent we incur additional indebtedness that is secured on a *pari passu* basis with the Notes, the voting interest of holders of Notes in an instructing group will be diluted commensurate with the amount of indebtedness we incur.

The lenders under the Revolving Credit Facility Agreement, and the creditors of any other Credit Facility and the creditors in respect of certain priority hedging obligations may have interests that are different from the interests of holders of the Notes and they may, subject to the terms of the Intercreditor Agreement, elect to pursue their remedies under the Security Documents at a time when it would be disadvantageous for the holders of the Notes to do so. In addition, if the Security Agent sells Collateral consisting of the shares of the Issuer or any of its holding companies or subsidiaries as a result of an enforcement action in accordance with the Intercreditor Agreement, claims under the Guarantees and the liens over any other assets of such entities securing the Notes and the Guarantees may be released. See "*Description of certain financing arrangements—Intercreditor Agreement*" and "*Description of the Senior Secured Notes—Security—Release of Liens*."

Delays in enforcement could decrease or eliminate recovery values. In addition, the holders of the Notes will not have any independent power to enforce, or have recourse to, any of the Security Documents or to exercise any rights or powers arising under the Security Documents, except through the Security Agent as provided in the Intercreditor Agreement. By accepting the Notes, you will be deemed to have agreed to these restrictions. As a result of these restrictions, holders of the Notes will have limited remedies and recourse against the Issuer and the Guarantors in the event of a default. See "*Description of certain financing arrangements—Intercreditor Agreement*."

The Issuer, the Parent Guarantor and Autodistribution S.A. will have control over the Collateral securing the Notes, and the sale of particular assets could reduce the pool of assets securing the Notes.

The Security Documents relating to the Notes will allow the Issuer, the Parent Guarantor, Autodistribution S.A. and the other Collateral providers to remain in possession of, retain exclusive control over, freely operate, and collect, invest and dispose of any income from the Collateral securing the Notes to the extent that it relates to their assets. So long as no enforcement event has occurred, the Issuer, the Parent Guarantor, Autodistribution S.A. and the other Collateral providers may, among other things, without any release or consent by the Security Agent, conduct ordinary course activities with respect to the Collateral, such as selling, factoring, abandoning or otherwise disposing of the Collateral and making ordinary course cash payments, including repayments of indebtedness.

The value of the Collateral securing the Notes may not be sufficient to satisfy our obligations under the Notes and such Collateral may be reduced or diluted under certain circumstances.

For a description of the security over the Collateral, see "*Summary—The Offering—Security*." In the event of an enforcement of the pledges in respect of the Notes, the proceeds from the sale of the assets underlying the pledges may not be sufficient to satisfy the Issuer's obligations with respect to the Notes. The value of the assets underlying the pledges will also depend on many factors, including, among others, whether or not the business is sold as a going concern, the ability to sell the assets in an orderly sale, the condition of the economies in which operations are located, the availability of buyers and whether approvals required to purchase the business would be available to a buyer of the assets. In addition, the Intercreditor Agreement will provide that, in the event of any distribution of the proceeds from the sale of certain Collateral, the lenders under the Revolving Credit Facility, any other Credit Facility or certain hedging obligations will be entitled to receive from such distribution payment in full in cash before the holders of the pledges securing the Notes will be entitled to receive any payment from such distribution with respect to the Notes.

The shares and other Collateral that are pledged or assigned for the benefit of the holders of the Notes may provide for only limited repayment of the Notes, in part because most of these shares or other assets may not be liquid and their value to other parties may be less than their value to us. Likewise, we cannot assure you that the Collateral will be salable or, if salable, that there will not be substantial delays in the liquidation thereof. Most of our assets will not secure the Notes, and it is possible that the value of the Collateral will not be sufficient to cover the amount of indebtedness secured by such Collateral. With respect to any shares of our subsidiaries pledged to secure the Notes and the Guarantees, such shares may also have limited value in the event of a bankruptcy, insolvency or other similar proceedings in relation to the entity's shares that have been pledged because all the obligations of the entity whose shares have been pledged must first be satisfied, leaving little or no remaining assets in the pledged entity. As a result, the creditors secured by a pledge of the shares of these entities may not recover anything of value in the case of an enforcement sale. In addition, the value of this Collateral may decline over time.

The Indenture will also permit the granting of certain liens other than those in favor of the holders of the Notes on the Collateral. To the extent that holders of other secured indebtedness or third parties have liens on the Collateral, including statutory liens, whether or not permitted by the Indenture or the Security Documents, such holders or third parties may have rights and remedies with respect to the Collateral which, if exercised, could reduce the proceeds available to satisfy our obligations under the Notes. Moreover, if we issue additional notes under the Indenture, holders of such additional notes would benefit from the same collateral as the holders of the Notes being offered hereby, thereby diluting your ability to benefit from the liens on the Collateral. Although we will be subject, under the Indenture, to certain restrictions on our ability to incur additional indebtedness that will be secured by the Collateral, including a Consolidated Senior Secured Leverage Ratio (as defined and described under "*Description of the Senior Secured Notes—Certain covenants—Limitation on Indebtedness*"), the definition of Senior Secured Indebtedness (as defined under "*Description of the Senior Secured Notes*") for the purposes of calculating the Consolidated Senior Secured Leverage Ratio contains certain important exceptions and carve-outs.

The security over the Collateral will not be granted directly to the holders of the Notes.

The security interests in the Collateral that will secure the obligations of the Issuer under the Notes and the obligations of the Guarantors under their respective Guarantees will not be granted directly to the holders of the Notes but will be granted only in favor of the Security Agent. The Indenture and the Intercreditor Agreement will provide that only the Security Agent as security agent, trustee and Parallel Debt (as defined below) creditor has the right to enforce the Security Documents. As a consequence, holders of the Notes will not have direct security interests and will not be entitled to take enforcement action in respect of the Collateral securing the Notes, except through the Trustee under the Indenture, who will (subject to the provisions of the Indenture) provide instructions to the Security Agent for the Collateral.

Under both French and Dutch law, certain "accessory" security interests such as rights of pledge require that the pledgee and the creditor are the same person. Such security interests cannot be held on behalf of third parties who do not hold the secured claim. The beneficial holders of interests in the Notes from time to time will not be parties to the Security Documents. In order to permit the beneficial holders of the Notes to benefit from a secured claim, the Intercreditor Agreement will provide for the creation of "parallel debt" obligations in favor of the Security Agent (the "Parallel Debt") mirroring the obligations of the Issuer and the Guarantors (as principal obligors) towards the holders of the Notes under or in connection with the Indenture (the "Principal Obligations"). The Parallel Debt will at all times be in the same amount and payable at the same time as the Principal Obligations. Any payment in respect of the Principal Obligations shall discharge the corresponding Parallel Debt and any payment in respect of the Parallel Debt shall discharge the corresponding Principal Obligations. Pursuant to the Parallel Debt, the Security Agent becomes the holder of a claim equal to each amount payable by an obligor under the Notes. The pledges governed by French or Dutch law will directly secure the Parallel Debt, and may not directly secure the obligations under the Notes and the other indebtedness secured by the Collateral. The holders of the Notes will not be entitled to take enforcement actions in respect of such security interests except through the Security Agent (even if they are in some instances direct beneficiaries of the security interests in the Collateral).

None of the Parallel Debt and trust mechanism constructs have been generally recognized by French courts and to the extent that the Notes or security interests created under the Parallel Debt and/or trust constructs are successfully challenged by other parties, holders of the Notes will not receive any proceeds from an enforcement of the Guarantees or security interests in the Collateral. In addition, the holders of the Notes will bear the risks associated with the possible insolvency or bankruptcy of the Security Agent.

There is one published decision of the French Supreme Court (*Cour de cassation*) on Parallel Debt mechanisms (*Cass. com.* September 13, 2011 n°10-25533 Belvedere) relating to a bond documentation governed by New York law. Such a decision recognized the enforceability in France of certain rights (especially the filing of claims in safeguard proceedings) of a security agent benefiting from a Parallel Debt. In particular, the French Supreme Court upheld the proof of claim of the legal holders of a Parallel Debt claim, considering that it did not contravene French international public policy (*ordre public international*) rules. The ruling was made on the basis that the French debtor was not exposed to double payment or artificial liability as a result of the Parallel Debt mechanism. Although this court decision is generally viewed by legal practitioners and academics as a recognition by French courts of Parallel Debt structures in such circumstances, there can be no assurance that such a structure will be effective in all cases before French courts. Indeed, it should be noted that the legal issue addressed by it is limited to the proof of claims. The French court was not asked to generally uphold French security interests securing a Parallel Debt. It is also fair to say that case law on this matter is scarce and based on a case-by-case analysis. Such a decision should not be considered as a general recognition of the enforceability in France of the rights of a security agent benefiting from a Parallel Debt claim. There is no certainty that the Parallel Debt construction will eliminate the risk of unenforceability under French law.

The Parallel Debt construction has not been tested under Dutch law, and there is no certainty that it will eliminate or mitigate the risk of unenforceability of security interests posed by Dutch law.

To the extent that the security interests in the Collateral created under the Parallel Debt construction are successfully challenged by other parties, holders of the Notes will not be entitled to receive on this basis any proceeds from an enforcement of the security interests in the Collateral. The holders of the Notes will bear the risks associated with the possible insolvency or bankruptcy of the Security Agent as the beneficiary of the Parallel Debt.

The concept of "trust" has been recognized by the FTC and the French Supreme Court (*Cour de cassation*), which has held, in the same published decision referred to above (*Cass. com.* September 13, 2011 n°10-25533 Belvedere) that a trustee validly appointed under a trust governed by the laws of the State of New York could validly be regarded as a creditor in safeguard proceedings opened in France. However, while substantial comfort may be derived from the above, France has not ratified the Hague Convention of July 1, 1985 on the law applicable to trusts and on their recognition (the "Trust Convention"), so that the concept of "trust" has not been generally recognized under French law. The Netherlands has ratified the Trust Convention so that any trust to which the Trust Convention applies will be recognized under Dutch law subject to the Trust Convention. See "*Limitations on validity and enforceability of the Guarantees and the security interests—France"* and *"Limitations on validity and enforceability of the Guarantees and the security interests—The Netherlands*."

Upon a Qualifying IPO, certain Collateral over, or granted by, the Dutch Security Providers will no longer apply and will be released and the Notes and the remaining Collateral may be subject to hardening and other risks.

Under certain circumstances, we may undertake a Qualifying IPO as defined under "*Description of the Senior Secured Notes—Certain definitions."* In connection with a Qualifying IPO, the Collateral over, or granted by, the Dutch Security Providers will be released without the consent of the holders of the Notes and certain covenants described under "*Description of the Senior Secured Notes—Certain covenants*" will no longer apply, including:

- "*—Center of main interests and establishments*";
- "*—Maintenance of double DutchCo structure*";
- "*—Limitation on Dutch Security Providers*"; and
- "*—Limitation on Liens*" (with respect to any Dutch Security Providers).

A Qualifying IPO would also result in the release of any share pledges granted by the Dutch Security Providers and, as such, the holders of the Notes may not be able to enforce any relevant security interest in the Netherlands in order to control the Group and avoid safeguard or accelerated safeguard proceedings that might be initiated by the Issuer's management. See "*Limitations on validity and enforceability of the Guarantees and the security interests—France*."

The Parent Guarantor will remain Parent Guarantor under the Notes and be subject to the obligations under the Indenture. In addition, Liens over any Collateral may be released and material amendments may be made to any Security Document by the Security Agent on behalf of the holders of the Notes for the purpose of implementing a Qualifying IPO. Any substitution of obligors could be treated for French law purposes as an exchange of the Notes for new notes. In such a case, new security documents in respect of the permanent collateral that will remain in place following a Qualifying IPO may need to be executed. Furthermore, no assurance can be given that such a substitution may not be void or voidable if it occurred during a hardening period. See "*Description of the Senior Secured Notes—Certain covenants—Disapplication of covenants and release of Liens on a Qualifying IPO*."

The Notes will be secured only to the extent of the value of the assets that have been granted as security for the Notes.

If there is an event of default in the Notes, the holders of the Notes will be secured only to the extent of the value of the assets that have been granted as security for the Notes. In addition, in the future, the obligations to provide additional guarantees and grant additional security over assets, whether as a result of the creation of future assets or subsidiaries or otherwise, are, in certain circumstances, linked to our obligations under the Revolving Credit Facility Agreement, subject to certain agreed security principles. To the extent that lenders under the Revolving

Credit Facility Agreement are granted security, the negative pledge in the Indenture may require, subject to local law limitations, such security to also be granted for the benefit of holders of the Notes. The agreed security principles set forth in the Revolving Credit Facility Agreement contain a number of limitations on the rights of the lenders to be granted security in certain circumstances. The operation of the agreed security principles may result in, among other things, the amount recoverable under any Collateral provided being limited or security not being granted or perfected over a particular type or class of assets. Accordingly, the agreed security principles may affect the value of the security provided by the Issuer, the Parent Guarantor and the Dutch Security Providers.

To the extent that the claims of the holders of the Notes exceed the value of the assets securing those Notes and other obligations, those claims will rank equally with the claims of the holders of all other existing and future senior unsecured indebtedness ranking *pari passu* with the Notes. As a result, if the value of the assets pledged as security for the Notes is less than the value of the claims of the holders of the Notes, those claims may not be satisfied in full before the claims of certain unsecured creditors are paid.

Investors' rights in the Collateral may be adversely affected by the failure to perfect security interests in the Collateral.

Applicable law may require that a security interest in certain assets can only be properly perfected and its priority retained through certain actions undertaken by the secured party. The security interests in the Collateral may not be perfected with respect to the Notes and the Parent Guarantee if the Security Agent is not able to or does not take the actions it is directed to take by the Majority Super Senior Creditors, which are necessary to perfect any such security interests. Such failure may result in the invalidity of the relevant security interest in the Collateral securing the Notes or adversely affect the priority of such security interest in favor of the Notes against third parties, including a trustee in bankruptcy and other creditors who claim a security interest in the same Collateral. In addition, applicable law may require that certain property and rights acquired after the grant of a general security interest can only be perfected at the time such property and rights are acquired and identified. There can be no assurance that the Security Agent will monitor, or that we will inform the Security Agent of, the future acquisition of property and rights that constitute Collateral, and that the necessary action will be taken to properly perfect the security interest in such after-acquired collateral. The Security Agent has no obligation to monitor the acquisition of additional property or rights that constitute Collateral or the perfection of any security interest therein. Such failure may result in the loss of the security interest in the Collateral or the priority of the security interest in favor of the Notes and the Parent Guarantee against third parties.

Additionally, the Indenture and the Security Documents entered into in connection with the Notes will not require us to take a number of actions that might improve the perfection or priority of the security interests of the Security Agent in the Collateral. To the extent that the security interests created by the Security Documents with respect to any Collateral are not perfected, the Security Agent's rights will be equal to the rights of general unsecured creditors in the event of a liquidation, foreclosure, bankruptcy, reorganization or similar proceeding.

The loans under our Revolving Credit Facility Agreement bear interest at floating rates that could rise significantly, increasing our costs and reducing our cash flow.

The loans under our Revolving Credit Facility Agreement bear interest at floating rates of interest per annum equal to EURIBOR, as adjusted periodically, plus a margin. These interest rates could rise significantly in the future. We may enter into certain interest rate hedging arrangements designed to fix a portion of these rates but are not required to do so. In addition, there can be no assurance that hedging will continue to be available on commercially reasonable terms. To the extent that interest rates were to increase significantly, our interest expense would correspondingly increase to the extent of the drawings under the Revolving Credit Facility, reducing our cash flow.

There are circumstances other than repayment or discharge of the Notes under which the Collateral securing the Notes and the Guarantees will be released automatically, without your consent or the consent of the Trustee.

Under various circumstances, the Guarantees and the Collateral securing the Notes will be released automatically as described under "*Description of the Senior Secured Notes—Release of Liens*", including:

- in the case of Collateral, in connection with any sale or other disposition of property or assets constituting Collateral (as applicable), if the sale or other disposition does not violate the "Limitation on Sales of assets and subsidiary stock" covenant, as described under "*Description of the Senior Secured Notes*," is otherwise permitted in accordance with the Indenture;
- in the case of a Guarantor that is released from its Guarantee pursuant to the terms of the Indenture, the release of the property and assets, and Capital Stock, of the Guarantor;
- as described under "*Description of the Senior Secured Notes—Amendments and waivers*";
- upon payment in full of principal, interest and all other obligations of the Notes or legal defeasance, covenant defeasance or satisfaction and discharge of the Notes, as provided under "*Description of the Senior Secured Notes—Defeasance*" and "*Description of the Senior Secured Notes—Satisfaction and discharge*";
- in respect of liens over or granted by any Dutch Security Provider, as described under "*Description of the Senior Secured Notes—Disapplication of covenants and release of liens on a Qualifying IPO*";
- the property and assets and shares of a restricted subsidiary designated as an unrestricted subsidiary in accordance with the applicable provisions of the Indenture;
- with respect to all or part of the structural security, as may be permitted by the "Maintenance of double Dutchco Structure" covenant;
- in respect of the security provided by DutchCo and Top DutchCo, upon a change of control; and
- in accordance with the Intercreditor Agreement.

Unless consented to, the Intercreditor Agreement provides that the Security Agent shall not, in an enforcement scenario, exercise its rights to release the Parent Guarantee or security interests in the Collateral unless the relevant sale or disposal is made:

- for consideration, all or substantially all of which is in the form of cash;
- pursuant to an auction or other competitive sale process, under the consultation of an internationally recognized investment bank or accountancy firm who shall (save in certain circumstances) opine on the consideration received by giving a fairness opinion.

Investors may face foreign exchange risks by investing in the Notes.

The Notes will be denominated and payable in euro. If investors measure their investment returns by reference to a currency other than the euro, an investment in the Notes will entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of the euro relative to the currency by reference to which the investor measures the return on his or her investments because of economic, political and other factors over which we have no control. Depreciation of the euro against the currency by reference to which an investor measures the return on his or her investments could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss to investors when the return on the Notes is translated into the currency by reference to which the investor measures the return on his or her investments. Investments in the Notes by U.S. dollars holders (as defined in "*Tax considerations—Certain U.S. federal income tax considerations*") may also have important tax consequences as a result of foreign exchange gains or losses, if any. See "*Tax considerations—Certain U.S. federal income tax considerations.*"

Credit ratings may not reflect all risks, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time.

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. No assurance can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the credit rating agency if, in its judgment, circumstances in the future so warrant. A suspension, reduction or withdrawal at any time of the credit rating assigned to the Notes by one or more of the credit rating agencies may adversely affect the cost, terms and conditions of our financings and could adversely affect the value and trading of the Notes.

Transfer of the Notes will be restricted, which may adversely affect the value of the Notes.

Because the Notes and the Parent Guarantee have not or will not have been, and are not required to be, registered under the U.S. Securities Act or the securities laws of any other jurisdiction, they may not be offered or sold in the United States except to QIBs in accordance with Rule 144A, in offshore transactions in accordance with Regulation S or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and all other applicable laws. These restrictions may limit the ability of investors to resell the Notes. It is the obligation of investors in the Notes to ensure that all offers and sales of the Notes in the United States and other countries comply with applicable securities laws. For further information, see "*Transfer restrictions*."

The Notes will initially be held in book-entry form and therefore investors must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.

The Notes will initially only be issued in global certificated form and held through Euroclear and Clearstream.

Interests in the Global Notes (as defined under "*Book-entry, delivery and form*") will trade in book-entry form only, and Notes in definitive registered form, or Definitive Registered Notes (as defined under "*Book-entry, delivery and form*"), will be issued in exchange for book-entry interests only in very limited circumstances. Owners of book-entry interests will not be considered owners or holders of Notes. The common depositary, or its nominee, for Euroclear and Clearstream will be the sole registered holder of the Global Notes representing the Notes. Payments of principal, interest and other amounts owing on or in respect of the Global Notes representing the Notes will be made to the Paying Agent, which will make payments to Euroclear and Clearstream. Thereafter, these payments will be credited to participants' accounts that hold book-entry interests in the global Notes representing the Notes and credited by such participants to indirect participants. After payment to the common depositary for Euroclear and Clearstream, the Issuer will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, if investors own a book-entry interest, they must rely on the procedures of Euroclear and Clearstream, and if investors are not participants in Euroclear and Clearstream, they must rely on the procedures of the participant through which they own their interest, to exercise any rights and obligations of a holder of Notes under the Indenture.

Unlike the holders of the Notes themselves, owners of book-entry interests will not have the direct right to act upon the Issuer's solicitations for consents, requests for waivers or other actions from holders of the Notes. Instead, if an investor owns a book-entry interest, they will be permitted to act only to the extent they have received appropriate proxies to do so from Euroclear and Clearstream. The procedures implemented for the granting of such proxies may not be sufficient to enable such investor to vote on a timely basis.

Similarly, upon the occurrence of an "Event of Default" under the Indenture, unless and until Definitive Registered Notes are issued in respect of all book-entry interests, if investors own book-entry interests, they will be restricted to acting through Euroclear and Clearstream. The procedures to be implemented through Euroclear and Clearstream may not be adequate to ensure the timely exercise of rights under the Notes. See "*Book-entry, delivery and form*."

There may not be an active trading market for the Notes, in which case your ability to sell the Notes will be limited.

The Notes are new issues of securities for which there is currently no established trading market. We cannot assure you as to:

- the liquidity of any market in the Notes;
- your ability to sell your Notes; or
- the prices at which you would be able to sell your Notes.

Future trading prices of the Notes will depend on many factors, including, among others, prevailing interest rates, our operating results and the market for similar securities. The liquidity of a trading market for the Notes may be adversely affected by a general decline in the market for similar securities. Historically, the market for non-investment-grade securities has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. Any such disruption may have a negative effect on you, as a holder of Notes, regardless of our prospects and financial performance. The Initial Purchasers have advised that they intend to make a market in the Notes after completing this Offering. However, they have no obligation to do so and may discontinue market-making activities at any time without notice. In addition, such market-making activity will be subject to limitations imposed by the U.S. Securities Act and other applicable laws and regulations. As a result, there may not be an active trading market for the Notes. If no active trading market develops, you may not be able to resell your Notes at a fair value, if at all.

The Notes may not become, or remain, listed on the Irish Stock Exchange.

Although the Issuer will, in the Indenture, agree to use its commercially reasonable efforts to have the Notes listed on the Official List of the Irish Stock Exchange and admitted to trading on the Global Exchange Market thereof within a reasonable period after the Issue Date and to maintain such listing as long as the Notes are outstanding, the Issuer cannot assure you that the Notes will become, or remain listed. If the Issuer cannot maintain the listing on the Official List of the Irish Stock Exchange and the admission to trading on the Global Exchange Market or it becomes unduly burdensome to make or maintain such listing, the Issuer may cease to make or maintain such listing on the Official List of the Irish Stock Exchange, provided that it will use reasonable best efforts to obtain and maintain the listing of the Notes on another stock exchange, although there can be no assurance that the Issuer will be able to do so. Although no assurance can be made as to the liquidity of the Notes as a result of listing on the Official List of the Irish Stock Exchange or another recognized listing exchange for comparable issuers in accordance with the Indenture, failure to be approved for listing or the delisting of the Notes from the Official List of the Irish Stock Exchange or another listing exchange in accordance with the Indenture may have a material adverse effect on a holder's ability to resell Notes in the secondary market.

Use of proceeds

We estimate that gross proceeds from this Offering will be €240.0 million. We intend to use the proceeds from this Offering to repay in full the existing indebtedness (including in respect of loans from our shareholders) described below, to pay the estimated fees and expenses incurred in connection with the Refinancing and the Contemplated ACR Acquisition and, to the extent any proceeds remain, for general corporate purposes, which may include the Contemplated ACR Acquisition to the extent financed by the proceeds from the Notes and completed. Pending the completion of the Contemplated ACR Acquisition, €40.0 million of proceeds from this Offering will be deposited and held in an escrow account. Such proceeds will only be released from the escrow account to the Issuer on the Completion Date, provided that the Contemplated ACR Acquisition has been completed on or prior to May 31, 2014, the Offering has been used to finance the Contemplated ACR Acquisition and the fulfillment of certain other conditions have been fulfilled. See "*Description of the Senior Secured Notes—Escrow of proceeds; Special Mandatory Redemption*." The following table sets forth our anticipated sources and uses of funds in connection with the Transactions. Actual amounts will vary from estimated amounts depending on several factors, including differences from the estimate of fees and expenses related to this Offering, the completion of the Contemplated ACR Acquisition and outstanding amounts upon repayment.

Sources of Funds	**(€ in millions)**	**Uses of Funds**	**(€ in millions)**
Notes offered hereby[(1)]	240.0	Prepayment of the Existing Senior Facilities[(2)]	83.1
Cash on hand	22.2	Repayment of the Hedge Promissory Note	5.0
		Redemption of the EP Bonds[(3)]	2.6
		Repayment of loans from our shareholders[(4)]	62.3
		Repayment of local lines[(5)]	10.7
		Escrowed proceeds of this Offering[(1)]	40.0
		Estimated fees and expenses for the Transactions[(6)]	14.0
		Cash on hand[(7)]	44.5
Total sources	262.2	**Total uses**	262.2

(1) If the Contemplated ACR Acquisition is not completed on or prior to May 31, 2014, if the Contemplated ACR Acquisition is not financed by the proceeds of the Offering placed into escrow, or if certain other events occur, then we will be required to redeem €40.0 million in aggregate principal amount of the Notes pursuant to a special mandatory redemption. The special mandatory redemption price will be 100% of the aggregate issue price of such Notes, plus accrued and unpaid interest and additional amounts, if any, from the Issue Date to the date of the special mandatory redemption. See "*Description of the Senior Secured Notes—Escrow of proceeds; Special Mandatory Redemption*."

(2) Represents €64.3 million in aggregate principal amount and €0.2 million in accrued and unpaid interest that would be outstanding under the refinancing term facility loan and €18.6 million in aggregate principal amount and €0.05 million in accrued and unpaid interest that would be outstanding under the corporate purposes term facility, in each case as of January 30, 2014.

(3) Represents the amount required to redeem the EP Bonds.

(4) Represents (i) the €8.8 million in aggregate principal amount and €0.7 million in accrued and unpaid interest outstanding under the Senior Equity Loan as of January 30, 2014, (ii) the €50.0 million Interest Free Shareholder Loan as of October 31, 2013, (iii) the payment of €2.8 million to repay a shareholder loan owed by DutchCo to Top DutchCo and (iv) a distribution to DutchCo to satisfy an intercompany balance.

(5) Represents the repayment of all amounts outstanding under our factoring credit line with Eurofactor (an estimated €9.1 million outstanding as of December 31, 2013), our factoring credit line with Natixis (an estimated €0.1 million outstanding as of December 31, 2013), the Enssemble bilateral facility (an estimated €0.3 million outstanding as of December 31, 2013) and the FPLS bilateral lending facilities (an estimated €1.2 million outstanding as of December 31, 2013).

(6) Represents estimated fees and expenses related to the Transactions, including €13.0 million in underwriting fees and commissions and fees and costs for legal, accounting, printing, rating advisory and other professional services related to the Refinancing, and €1.0 million of costs related to the Contemplated ACR Acquisition.

(7) If the Contemplated ACR Acquisition is completed, approximately €12 million to €22 million of this amount would be used to pay the purchase price and repay outstanding indebtedness and hedging break fees of ACR. If a special mandatory redemption occurs as described under "*Description of the Senior Secured Notes—Escrow of proceeds; Special Mandatory Redemption,*" we expect to retain the remaining €44.5 million as cash on our balance sheet for general corporate purposes. To the extent our estimated fees and expenses for the Offering increase, the principal amount or accrued and unpaid interest under any of our debt facilities increases or the Notes are issued with original issue discount, our cash for general corporate purposes will decrease.

Capitalization

The following table sets forth our capitalization, as of October 31, 2013, on both an actual basis and as adjusted for this Offering (both including and excluding the Contemplated ACR Acquisition). The table below should be read in conjunction with "*Summary—Summary consolidated financial and other information*," "*Use of proceeds*," "*Selected consolidated financial information*" and our financial statements and related notes included elsewhere in this Offering Memorandum.

(€ in millions)	Actual	As adjusted for this Offering (excluding the Contemplated ACR Acquisition)	As adjusted for this Offering (including the Contemplated ACR Acquisition)
Cash and cash equivalents(1)	**22.2**	**44.5**	**27.5**
Third-party borrowings(2)			
Existing Senior Facilities(3)	82.9	—	—
Revolving Credit Facility	—	—	—
Finance leases(4)	0.2	0.2	1.1
Factoring facilities(5)	10.2	—	2.3
Other third-party borrowings(6)	13.0	8.0	8.0
EP Bonds(7)	2.3	—	—
Hedge Promissory Note(8)	4.5	—	—
Notes offered hereby(9)	—	200.0	240.0
Total third-party borrowings	**113.1**	**208.2**	**251.4**
Contingent Value Instruments(10)	10.4	10.4	10.4
Shareholder instruments(11)	**53.9**	**—**	**—**
Shareholders' equity	**221.6**	**215.4**	**215.4**
Total capitalization	**399.0**	**434.0**	**477.2**

(1) We used €7.5 million of our cash to acquire Rougon Queyrel on December 30, 2013, and in connection with the acquisition we acquired €1.2 million of Rougon Queyrel's cash. We assumed €0.3 million of outstanding indebtedness of Rougon Queyrel in connection with its acquisition. The as adjusted for this Offering (including the Contemplated ACR Acquisition) amount assumes that €17.0 million is used to pay the remaining purchase price and repay outstanding indebtedness of ACR in addition to the €40.0 million of escrowed proceeds of this Offering.

(2) Excludes unamortized debt issuance costs and accrued and unpaid interest.

(3) Represents €64.3 million in aggregate principal amount outstanding under our refinancing term facility loan and €18.6 million in aggregate principal amount outstanding under the corporate purposes term facility. We expect that as of January 30, 2014, €0.2 million in accrued and unpaid interest will be outstanding under our refinancing term facility loan.

(4) The actual and as adjusted for this Offering (excluding the Contemplated ACR Acquisition) amount represents the aggregate amount outstanding under finance leases as of October 31, 2013. The as adjusted for this Offering (including the Contemplated ACR Acquisition) amount includes finance leases of ACR in the amount of €0.9 million as of December 31, 2013 that we expect to remain outstanding following the Contemplated ACR Acquisition.

(5) The as adjusted for this Offering (excluding the Contemplated ACR Acquisition) amount represents the aggregate amount of trade receivables assigned pursuant to factoring arrangements entered into by Autodistribution and Groupe AD Sud Ouest with Eurofactor as the counterparty. See "*Description of certain financing arrangements—Other lending facilities—Factoring arrangements.*" As of December 31, 2013, we estimate €9.1 million of trade receivables were assigned pursuant to such factoring arrangements. The as adjusted for this Offering (including the Contemplated ACR Acquisition) amount includes trade receivables assigned pursuant to factoring arrangements of ACR in the amount of €2.3 million as of December 31, 2013 that we expect to remain outstanding following the Contemplated ACR Acquisition.

(6) Represents the aggregate amount outstanding under several bilateral lending facilities entered into by Enssemble, FPLS and AD Polska as of October 31, 2013. As of December 31, 2013, we had €9.6 million in aggregate principal amount of indebtedness outstanding under these bilateral facilities. See "*Description of certain financing arrangements—Other financing arrangements—Bilateral lending facilities.*" This amount excludes as of October 31, 2013 (i) €3.9 million, on our balance sheet corresponding to the value of a put option held by minority shareholders of certain of our subsidiaries, (ii) €1.0 million on our balance sheet corresponding to liabilities for employee profit sharing for the year ended December 31, 2013 and (iii) €1.7 million on our balance sheet corresponding to deposits paid by affiliated independent distributors when they became members of our AD network, and who have subsequently left the AD network.

(7) Represents the fair value on our balance sheet of the EP Bonds as of October 31, 2013. The repayment value of the EP Bonds as of December 31, 2013 was €2.6 million.

(8) Represents the fair value amount of our Hedge Promissory Note as of October 31, 2013. The nominal value of the Hedge Promissory Note as of December 31, 2013 was €5.0 million.

(9) If the Contemplated ACR Acquisition is not completed on or prior to May 31, 2014, if the Contemplated ACR Acquisition is not financed by the proceeds of the Offering placed into escrow or if certain other events occur, then €40.0 million in aggregate principal amount of the Notes will be required to be redeemed pursuant to a special mandatory redemption. The special mandatory redemption price will be a price equal to 100% of the aggregate issue price of such Notes, plus accrued and unpaid interest and additional amounts, if any, from the Issue Date to the date of the special mandatory redemption. See "*Description of the Senior Secured Notes—Escrow of proceeds; Special Mandatory Redemption*."

(10) Represents the carrying value on our balance sheet of the Contingent Value Instruments as of October 31, 2013.

(11) Represents the fair value amount outstanding under the Senior Equity Loan and the Interest Free Shareholder Loan as of October 31, 2013, including €0.5 million of capitalized interest on the Senior Equity Loan. As of January 30, 2014, the aggregate principal amount outstanding under the Senior Equity Loan was €8.8 million and the Interest Free Shareholder Loan was €50.0 million, plus capitalized interest on the Senior Equity Loan of €0.7 million.

Selected consolidated financial information

The following tables set forth our selected consolidated financial information and other data for the periods ended and as of the dates indicated below. Our selected consolidated financial information as of and for the years ended December 31, 2010, 2011 and 2012 has been derived from the audited consolidated financial statements of the Parent Guarantor as of and for the years ended December 31, 2011 and 2012, an English translation of which is included elsewhere in this Offering Memorandum.

Our selected consolidated interim financial information as of and for the ten months ended October 31, 2013 has been derived from the unaudited interim condensed consolidated financial statements of the Parent Guarantor as of and for the ten months ended October 31, 2013, with corresponding income statement and cash flow data for the ten months ended October 31, 2012 which are included elsewhere in this Offering Memorandum. The historical unaudited financial information for the ten months ended October 31, 2013 have been prepared using the same accounting principles as the financial information as of and for the year ended December 31, 2012 and contains all adjustments, consisting of normal recurring adjustments, that management considers necessary for a fair presentation of the financial position and results of operations for the periods presented. The consolidated financial statements of the Parent Guarantor included in this Offering Memorandum have been prepared in accordance with IFRS.

The selected unaudited consolidated financial information for the twelve months ended October 31, 2013 has been derived by adding the consolidated financial information of the Parent Guarantor as of and for the year ended December 31, 2012 to the consolidated financial information of the Parent Guarantor as of and for the ten months ended October 31, 2013 and subtracting the consolidated financial information of the Parent Guarantor as of and for the ten months ended October 31, 2012. The financial information for the twelve months ended October 31, 2013 has been prepared for illustrative purposes only and is not necessarily representative of our results of operations for any future period or our financial condition at any future date. This information has not been audited or reviewed by any auditors.

Our income statement as of and for the year ended December 31, 2011 has been restated in the consolidated financial statements of the Parent Guarantor as of and for the year ended December 31, 2012 in order to reclassify our Italian operations within discontinued operations (see note 5 to the consolidated financial statements of the Parent Guarantor as of and for the year ended December 31, 2012, an English translation of which is included elsewhere in this Offering Memorandum), and the following table sets forth these results of operations on a restated basis.

The following information should be read in conjunction with "*Management's discussion and analysis of financial condition and results of operations*" and our consolidated financial statements and the related notes thereto, an English translation of which is included elsewhere in this Offering Memorandum. Our historical results do not necessarily indicate results that may be expected for any future period.

Selected consolidated income statement

(€ in millions)	Years ended December 31, 2010	2011	2012	Ten months ended October 31, 2012	2013	Twelve months ended October 31, 2013
Revenue	**1,090.7**	**1,085.4**	**1,084.3**	**907.3**	**952.2**	**1,129.2**
Cost of goods for sale	(712.5)	(702.4)	(689.9)	(575.2)	(594.6)	(709.3)
Personnel costs	(223.7)	(219.2)	(223.7)	(183.2)	(197.9)	(238.4)
Other purchases and external expenses	(122.9)	(120.7)	(121.9)	(101.9)	(104.5)	(124.5)
Taxes	(8.4)	(6.6)	(8.2)	(7.1)	(8.0)	(9.1)
Other operating income and expenses	2.3	2.7	4.4	2.7	1.3	3.0
EBITDA	**25.5**	**39.2**	**45.0**	**42.6**	**48.5**	**50.9**
Depreciation/amortization expense	(18.6)	(17.0)	(15.1)	(12.4)	(13.6)	(16.3)
Recurring operating income	**6.9**	**22.2**	**29.9**	**30.2**	**34.9**	**34.6**
Other income from operations	23.1	125.5	3.4	2.5	6.1	7.0
Other expenses from operations	(29.0)	(18.9)	(7.2)	(5.2)	(8.0)	(10)
Operating income	**1.0**	**128.8**	**26.1**	**27.5**	**33.0**	**31.6**
Financial income	1.7	1.7	2.3	1.5	12.8	13.6
Financial expenses	(12.2)	(15.0)	(10.7)	(8.9)	(7.6)	(9.4)
Share of income from associates	0.3	0.4	—	—	—	—
Income before tax	**(9.2)**	**115.9**	**17.7**	**20.1**	**38.2**	**35.8**
Income tax	(2.0)	14.1	(7.8)	(6.8)	(5.4)	(6.4)
Net income from continuing operations	**(11.2)**	**130.0**	**9.9**	**13.3**	**32.8**	**29.4**
Net income from discontinued operations	—	(1.9)	(3.9)	(3.5)	—	(0.4)
Net income for the year	**(11.2)**	**128.1**	**6.0**	**9.8**	**32.8**	**29.0**

Selected consolidated statement of financial position

(€ in millions)	As of December 31, 2010	2011	2012	As of October 31, 2013
Assets				
Goodwill	2.9	4.2	8.2	17.6
Intangible assets	25.2	141.3	142.0	142.9
Property, plant and equipment	44.2	39.5	45.6	47.6
Investments in associates	2.4	3.1	0.4	0.5
Available-for-sale financial assets	0.3	0.3	0.3	0.3
Other non-current assets	6.1	6.5	12.1	16.5
Deferred tax assets	7.5	21.2	18.3	21.8
Total non-current assets	**88.6**	**216.1**	**226.9**	**247.1**
Inventories	170.6	170.2	176.7	188.9
Trade receivables	163.0	168.0	147.9	184.5
Other current assets	13.6	13.3	9.6	12.1
Cash and cash equivalents	81.4	71.5	58.4	22.2
Derivative financial instruments	—	—	—	—
Total current assets	**428.6**	**423.0**	**392.6**	**407.8**
Non-current assets held for sale	—	—	10.9	—
Total assets	**517.2**	**639.1**	**630.4**	**654.9**
Equity and liabilities				
Share capital	152.6	152.6	152.6	152.6
Other reserves	(105.3)	(117.7)	21.4	36.4
Net income attributable to owners of the parent	(11.2)	128.3	6.2	32.6
Shareholders' equity	**36.1**	**163.2**	**180.2**	**221.6**
Non-controlling interests	0.3	0.5	(0.4)	(0.2)
Total equity	**36.4**	**163.7**	**179.8**	**221.4**
Non-current borrowings and debt	215.5	205.6	167.7	136.0
Non-current provisions	—	6.0	4.8	3.7
Liabilities relating to employee benefits	24.7	25.3	25.5	16.9
Deferred tax liabilities	5.7	—	—	—
Other non-current liabilities	2.7	3.7	4.4	3.4
Total non-current liabilities	**248.6**	**240.6**	**202.4**	**160.0**
Current borrowings and debt	13.1	12.4	37.8	45.2
Current provisions	13.8	10.1	8.2	12.0
Trade payables	152.0	151.4	138.0	163.6
Other current liabilities	53.3	60.0	58.4	52.6
Derivative financial instruments	—	0.9	—	—
Total current liabilities	**232.2**	**234.8**	**242.4**	**273.5**
Liabilities directly associated with assets held for sale	—	—	5.8	—
Total equity and liabilities	**517.2**	**639.1**	**630.4**	**654.9**

Selected consolidated statement of cash flows

(€ in millions)	Year ended December 31, 2010	2011	2012	Ten months ended October 31, 2012	2013
Net income	**(11.2)**	**128.1**	**6.0**	**9.8**	**32.8**
Net income/(loss) from discontinued operations	—	—	3.9	3.5	—
Adjustments for non-cash income and expenses	23.8	(90.4)	17.9	16.9	(0.3)
Financial expenses and income with a cash effect	7.2	9.6	3.1	2.1	3.4
Income tax	2.0	(14.1)	7.8	6.8	5.4
Inventories decrease/(increase)	—	(1.5)	2.4	(6.1)	(9.8)
Trade receivables decrease/(increase)	(2.2)	(1.2)	21.1	(6.3)	(31.4)
Trade payables increase/(decrease)	2.5	(0.9)	(15.2)	8.0	21.5
Other receivables and payables	(2.4)	5.0	(1.6)	(13.5)	(14.4)
Change in working capital	**(2.1)**	**1.4**	**6.7**	**(17.9)**	**(34.1)**
Other items with a cash effect	(4.0)	(4.1)	(6.4)	(4.3)	(4.7)
Net cash flow from operating activities	**15.6**	**30.4**	**39.0**	**16.9**	**2.5**
Acquisition of fixed assets	(14.1)	(15.9)	(15.9)	(11.5)	(13.4)
Changes in other financial assets	0.5	—	(1.1)	(1.3)	(0.7)
Disposal of fixed assets	3.6	1.5	0.7	0.2	2.1
Advances paid	—	—	(3.8)	(0.5)	(0.1)
Business acquisitions	(2.2)	(2.7)	(13.8)	(13.0)	(6.7)
Net cash flow used in investing activities	**(12.2)**	**(17.1)**	**(33.9)**	**(26.1)**	**(18.8)**
Dividends paid to the owners of the parent company	—	—	—	—	—
Dividends paid to non-controlling interests of consolidated companies	(0.1)	(0.3)	(0.3)	(0.3)	(0.2)
Dividends received from associates	—	—	—	—	—
Capital increase in cash	—	—	—	—	—
Financial expenses with a cash effect	(8.1)	(10.8)	(4.7)	(3.5)	(3.8)
Financial income with a cash effect	0.9	1.2	1.6	1.4	0.4
Increase in borrowings	0.1	1.2	6.6	10.3	3.6
Repayment of borrowings	(4.7)	(20.1)	(16.8)	(15.7)	(22.3)
Change in other financial liabilities	(6.7)	2.3	(0.2)	(0.1)	—
Net cash flow used in financing activities	**(18.6)**	**(26.5)**	**(13.8)**	**(7.9)**	**(22.3)**
Total cash flows used in continuing operations	**(15.3)**	**(13.3)**	**(8.7)**	**(17.1)**	**(38.6)**
Change in cash and cash equivalents:*					
Opening cash and cash equivalents	90.9	75.6	63.5	63.5	50.1
Net cash flow from continuing operations	(15.3)	(13.3)	(8.7)	(17.1)	(38.6)
Net cash flow from discontinued operations	—	—	(3.5)	(3.3)	—
Impact of currency rate fluctuations	—	1.2	(0.8)	(0.7)	0.2
Closing cash and cash equivalents from discontinued operations	—	—	(0.4)	(0.5)	—
Total closing cash and cash equivalents	**75.6**	**63.5**	**50.1**	**41.9**	**11.7**

* The heading "Cash and cash equivalents" in our consolidated statement of financial position excludes the item "bank overdraft" in an amount of €10.6 million as of October 31, 2013, €8.3 million as of December 31, 2012, €8.0 million as of December 31, 2011 and €5.8 million as of December 31, 2010.

Management's discussion and analysis of financial condition and results of operations

The following is a discussion and analysis of our financial condition and results of operations as of and for the ten months ended October 31, 2012 and 2013 and as of and for the years ended December 31, 2010, 2011 and 2012. You should read this discussion in conjunction with "Presentation of financial information and other data" and our consolidated financial statements and the related notes included elsewhere in this Offering Memorandum. Our financial statements have been prepared in accordance with IFRS. Unless otherwise indicated, information presented in this discussion is presented on a consolidated basis.

This discussion includes forward-looking statements which, although based on assumptions that we consider reasonable, are subject to risks and uncertainties, which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. See "Forward-looking statements" for a discussion of risks and uncertainties facing us. You should also see "Risk factors."

Overview

We are the leading distributor of aftermarket spare parts for light vehicles and trucks in the independent aftermarket segment ("IAM") in France, where we generated 90% of our revenue for the twelve months ended October 31, 2013. We also hold a strong regional position in the Polish light vehicle IAM, where we generated 10% of our revenue over the same period. With over 50 years of experience in the market, we believe that as of December 31, 2012, we held a market share of approximately 22% in terms of revenue in the fragmented French light vehicle IAM. The IAM has demonstrated resilience in recent years and currently benefits from advantageous long-term trends. Our scale provides us with significant purchasing power with aftermarket spare parts suppliers, and our extensive network throughout France allows us to deliver a broad range of parts on a timely and efficient basis.

We distribute parts and other products in four business lines across the French IAM: light vehicle parts for maintenance and repair; light vehicle parts for collision repair; truck parts for maintenance and repair; and equipment and tools for light vehicle maintenance and repair. We distribute a broad portfolio of products in each our four business lines, featuring approximately 1.7 million spare parts from over 300 suppliers.

We are an integrated distributor, with an advanced supply chain and distribution system. Our system in France is organized around central purchasing departments, which buy aftermarket spare parts and equipment and tools from our suppliers, which are then sold to our wholly-owned distributors or to affiliated independent distributors. These distributors sell these parts, equipment and tools to independent garages, body shops, fast-fitters, fleet garages for light vehicles and trucks and car centers ("garages"), some of which are affiliated with us and operate under our brands, such as AD ("branded garages"). Sales by our wholly-owned distributors to garages represented 75% of our revenue in France for the twelve months ended October 31, 2013, and sales by us to affiliated independent distributors represented 25% of our revenue in France over the same period. As of October 31, 2013, we had a network of 48 wholly-owned distributors and 44 affiliated independent distributors in France. These distributors operated out of 489 distribution sites which are supplied either by our three warehouses (one for each of light vehicle parts, light vehicle collision repair parts and truck parts) or through direct shipments from suppliers. We use a customized information technology ("IT") system to ensure the efficient management of our supply chain and distribution system by tracking product availability, stock levels and delivery schedules. In Poland, we operated three warehouses and 43 distribution sites.

The spare parts and equipment and tools that we distribute are sold to more than 125,000 end-customers in France, a significant portion of which are independent garages. Approximately 3,200 of such garages operate under our brands, such as AD, and participate in an affiliate program through which they receive enhanced service and support from us, and in return our wholly-owned and affiliated independent distributors are designated as their preferred distributor of spare parts. Our extensive network, spanning the supply chain from central purchasing to branded garages, has enabled us to develop a highly recognized brand in the markets in which we operate.

Our leading market positions, large-scale operations and centralized purchasing departments provide us with significant purchasing power, which we use to negotiate volume rebates with our suppliers. We pass on a portion of these rebates to both our wholly-owned distributors and affiliated independent distributors in France. As members of our loyalty program, our affiliated independent distributors receive the benefit of our volume rebates by agreeing to purchase at least 70% of their spare parts from us, driving our volumes.

For the twelve months ended October 31, 2013, we generated revenue of €1,129 million and Adjusted EBITDA of €53.1 million. We are currently in exclusive negotiations regarding the Contemplated ACR Acquisition. ACR is a specialized distributor in France of spare parts for light vehicles. For the twelve months ended October 31, 2013, ACR generated adjusted EBITDA of €6.6 million, and we have in addition identified €6.0 million of cost and purchasing savings per year that we will seek to realize in large part by having ACR purchase spare parts under our existing arrangements with our suppliers, which provide for more advantageous terms.

Of the €730.6 million in revenue generated by our wholly-owned distributors in France for the year ended December 31, 2012, light vehicle parts for maintenance and repair accounted for approximately 51%; light vehicle parts for collision repair accounted for approximately 16%; truck parts for maintenance and repair accounted for approximately 10%; and equipment and tools for light vehicle maintenance and repair accounted for approximately 23%. The remaining €246.0 million of our revenue for the year ended December 31, 2012 was generated by sales to affiliated independent distributors.

Key factors affecting our results of operations

The following are key factors that have significantly affected our results of operations and financial condition and liquidity during the ten months ended October 31, 2012 and 2013 and the years ended December 31, 2010, 2011 and 2012 or which we expect will significantly affect (or continue to affect) our results of operations in the future.

Factors related to our industry

Dynamics of the aftermarkets for spare parts for light vehicles, trucks and collision repair

The following factors may affect the amount of light vehicle parts sold in France in any given period:

- **Size of the car park.** The size of the car park impacts the size of the aftermarket for spare parts for light vehicles, trucks and collision repair. The size of the car park in the markets in which we operate is impacted by population size (which has grown to a limited extent in France over the last five years), consumer spending power, the use of public transportation (which has increased in recent years) and the rate at which new cars are introduced and old cars are retired from the car park. Notwithstanding the decrease in new light vehicle purchases as a result of general economic conditions, the size of the car park in France has remained stable over the last three years.
- **Average age of the car park.** The decrease in new light vehicle purchases combined with the stable size of the car park has resulted in an increase in the average age of the car park in France. In general, older cars require more repair and maintenance services and spare parts than younger cars, and as a result an increase in the average age of the car park can have a positive impact on our operations. According to L.E.K., the average age of the car park in France increased from 7.3 years in 2000 to 8.3 years in 2012. The age of the car park is also impacted by the sales price and production quality of new light vehicles, because both high sales prices and increasing production quality (which generally enables vehicles to run longer without repair or replacement) generally lead vehicle owners to delay the purchase of new light vehicles.
- **Postponement of certain light vehicle repairs**. Despite a stable car park size and the increasing age of light vehicles, we believe that during an economic downturn, some of our end-customers may postpone light vehicle repairs and maintenance due to their diminished spending power. However, key maintenance inspections and repairs cannot be postponed for a prolonged period and ultimately these repairs need to be performed in

order for a light vehicle to continue to operate at a minimum level. We believe that the IAM for light vehicles in France has been affected by this temporary postponement of repairs during recent economic downturns.

- **Miles travelled.** Light vehicles that are frequently used and driven many miles typically require more repair and maintenance services and replacement of spare parts than light vehicles that drive fewer miles. We believe that general economic conditions in Europe and the increase in the cost of fuel, particularly in France, have affected the spending power of light vehicle owners and led to a decrease in miles travelled per light vehicle. Government incentives that encourage carpooling and the use of public transportation also impact miles travelled. The average number of miles travelled per light vehicle in France decreased by 1.8% from 2011 to 2012.

- **Preference of independent garages versus manufacturers dealers' garages**. We believe that the diminished spending power of our consumers and the increasing age of the car park have encouraged some customers to rely more on garages operating in the independent segment, as opposed to the manufacturers' dealers segment. However, certain customers prefer, particularly during the warranty coverage period, to have their light vehicle serviced in a manufacturers dealers' garage, due to the link between the manufacturers' dealers garage and the original light vehicle manufacturer. On average, the IAM provides more competitive pricing than the OES. Manufacturer dealers' garages tend to use original vehicle manufacturer parts that have higher prices, given that the sale of spare parts represents a large portion of the vehicle manufacturer's gross margin, while our IAM parts are often sold at lower prices.

- **Increased variety in light vehicles**. The number of brands and models of light vehicles in France has been steadily increasing in recent years, which has resulted in an increase in the variety of spare parts ultimately ordered by our customers. This increase in the variety of spare parts benefits large, integrated distributors such as us because we have the scale to stock a wide variety of spare parts. As a result, we can serve as a one-stop shop for our end-customers, who increasingly require a wider range of products. We believe that this increase in brands and models of light vehicles may adversely affect manufacturers dealers' distributors, which focus on single brands, and small-scale IAM distributors, which are less able to offer a wide variety of spare parts. We also believe that the increase in brands and models of light vehicles may lead to further consolidation among smaller IAM distributors, thereby further benefitting established, large and integrated distributors such as us.

The factors described above have generally had a positive impact on our results, and we believe have generally increased our ability to maintain stable earnings and cash flow.

Technological trends in our industry

Our results are impacted by the changing technological trends in our industry and our ability to respond to such trends. Technological advancements in the light vehicle and truck market, such as the increased number of driver assistance systems, control devices and other electronic components, have resulted in sophisticated repair processes and related spare parts. The increased use of technology in the manufacturing of light vehicles, trucks and spare parts has also led to an extended lifespan of key light vehicle and truck components, such as exhaust systems, tires, brakes and motor oil. These trends have adversely affected our operations in certain of our business segments because light vehicle and truck spare parts tend to wear out less frequently, which in turn extends maintenance service cycles and leads to lower demand for spare parts and repair services.

Further, due to ongoing technological developments, independent garages are required to acquire the appropriate technical expertise in newly developed components and gain access to the tools, instruments and parts that such technological developments demand, which may result in an increase in demand for maintenance and repair services provided by manufacturer dealers' garages with the necessary technical expertise. Similarly, given the extended lifespan of spare parts, certain light vehicle manufacturers have extended their new light vehicle warranties for eight years or more and provide long-term service programs to customers. However, in many cases decreasing volumes have been offset by increased prices for technologically advanced spare parts and complex repair services. In addition, certain technological advancements may require that entire modules or systems be replaced in certain types of light vehicles, as opposed to discrete parts, thereby increasing replacement costs. We have also developed various market-leading IT services for our customers, including easily accessible websites and support and training services, in order to keep our customers up-to-date with the latest technological developments.

General economic conditions

Our business and the demand for certain products that we distribute are affected by general economic conditions in the markets in which we operate. While our business and the IAM in France as a whole have generally proven resilient during economic cycles, each of our business lines responds differently to general economic conditions. Our light vehicles business line tends to demonstrate resilience during weaker general economic conditions, as light vehicle owners switch to cheaper independent garages from manufacturers' dealer garages and the average age of the car park increases, providing our business with an element of counter-cyclicality, although we may initially experience slower sales due to destocking by distributors and garages and vehicle owners delaying repairs. On the other hand, our truck parts distribution business line shows a higher correlation with general economic cycles, with miles driven by trucks, and therefore demand for truck parts, increasing as general economic conditions improve. Our collision repair business tends not to be significantly affected by general economic cycles.

In addition, certain of our products, such as brake pads, belts and other critical parts, tend to exhibit inelastic demand, even during difficult economic conditions, while more discretionary items, such as accessories for light vehicles and truck, tend to be impacted more by the economic climate.

Regulation

The market for the supply and distribution of spare parts is affected by regulatory changes, including those that govern access by IAM distributors and those that seek to impact vehicle safety and other driver behaviors.

New BER

In recent years, the market for the supply and distribution of spare parts has been generally liberalized as a result of EU regulatory changes. This development has improved access to the spare parts aftermarket for IAM distributors. The light vehicle and truck wholesale sector in the European Union is currently regulated by Regulation (EU) No. 461/2010 (the "New BER"), which was adopted in 2010 and replaced Regulation (EC) No. 1400/2002 (the "BER 2002") A key aim of the New BER is to ensure fair competition in the light vehicle and truck wholesale sector. In general, we believe that the current regulatory framework is favorable to our operations and ensures (i) full access for independent spare parts manufacturers and garages to the technical information needed to ensure effective competition within and between the IAM and the OES, (ii) customers' rights to engage independent garages throughout the life of the light vehicle with no warranty limitations, (iii) unrestricted sale of spare parts in the IAM and (iv) resellers' rights to use private brands and logos for spare parts sales. According to WOLK, the IAM increased its share of the total aftermarket in France between 2008 and 2011, growing at a CAGR of 1.9%, while the OES increased by 0.5% over the same period.

Traffic laws and policy

The overall market for collision repair in France has been affected by a decline in collisions as a result of increased enforcement of and publicity surrounding traffic laws, though we have increased our market share in this declining market.

Social charges

In addition, our results are also impacted by government policies in France relating to payments for certain social charges, such as the Fillon Law and CICE.

<u>Fillon Law</u>

We are required to pay social security contributions for our employees that cover illness, maternity leave, incapacity, retirement and death. Pursuant to the Fillon Law, we benefit from reductions in such social security contributions in respect of wages for those employees whose salaries are less than 1.6 times the French statutory minimum wage (*salaire minimum interprofessionnel de croissance*) (the "SMIC"). The amount of this reduction is limited to 26% of the gross salary of such employees (for companies with more than 19 employees), and increases inversely in proportion to gross salary for such employees (i.e., the reduction is lowest for a gross salary that is just under 160% of the statutory minimum wage, but highest for a gross salary that is equal to the statutory minimum wage). Our employee costs are therefore impacted by changes in this law. Pursuant to a January 2011 amendment of the Fillon Law, gross salary was calculated on a full-year basis (instead of the monthly statutory minimum wage, as it previously had been calculated). Pursuant to a January 2012 amendment of the Fillon Law, gross salary is deemed to include overtime and bonuses. The effect of these amendments has been to decrease the amount of reductions that we were entitled to apply to our social security contributions for the years ended December 31, 2012 and 2011.

The availability of such reductions in social security contributions is also subject to our compliance with French regulations relating to mandatory annual salary negotiations with employee representatives. If we do not comply with such regulations, the reduction in social security contributions could be up to 10% less than those to which it would normally be entitled. We could also lose this entitlement altogether (i.e., the amount of the discount in the social security contributions could be reduced by up to 100%) if we do not comply with the requirement to undertake salary negotiations with employee representatives for three consecutive years.

CICE

In December 2012, a new tax credit for encouraging competitiveness and jobs (*Crédit d'Impôt pour la Compétitivité et l'Emploi)* ("CICE") was adopted as part of an overall stated French government policy to improve the competitive position of companies in France. Pursuant to CICE rules, French companies will receive a tax credit of 4% of the gross salaries paid to certain employees for 2013 and 6% of the gross salaries of such employees for 2014 and subsequent years. The amount of CICE is calculated on the basis of gross salaries paid to such employees in the course of the calendar year for employees whose gross salary is less than or equal to 2.5 times the SMIC. Pursuant to CICE rules, an employee's gross salary is calculated on the basis of such employee's normal working hours plus such employee's overtime hours (but without taking into account the overtime rate payable in respect of such overtime).

Under normal circumstances, CICE can be offset against corporation tax due with respect to the year during which the relevant salaries have been paid. If the amount of the corporation tax charge is less than the amount of CICE, the balance can be carried forward for the next three fiscal years and thus be offset against corporation tax charges with respect to such next three fiscal years. If after these three fiscal years, the amount of CICE has not been fully utilized, the remaining amount can be refunded by the French tax authorities if requested. Companies under a safeguard plan are entitled to obtain an immediate refund of the amount of CICE which cannot be offset against corporation tax. Therefore, these companies are not required to wait until the end of the three-year period to ask for a refund. However, the French tax authorities' view concerning the immediate refund of CICE receivable to companies which are under a safeguard plan is that only CICE receivables which existed prior to the company entering into the safeguard plan (i.e., CICE was calculated and declared prior to the company entering into the safeguard plan) can be refunded immediately, meaning that CICE receivables generated while the company is under the safeguard plan can only be refunded at the end of the three-year period under the standard CICE rules.

In our case, as the parent company of our tax group, the Parent Guarantor, entered into the safeguard plan in 2009, and so CICE receivables have been and will be generated while the Parent Guarantor is under the safeguard plan. The Parent Guarantor should then not be entitled to receive an immediate refund of CICE declared in respect of 2013 and subsequent years.

However, we may assign part of our CICE claim to a bank under a factoring agreement in order to achieve cash flow benefits immediately for approximately 85% of current year CICE and we may prefinance 85% of CICE with respect to following years. The remaining portion of CICE can be offset against corporation tax for the next three fiscal years and eventually be reimbursable at the end of this three-year period as described above.

Factors specific to our business

Acquisitions and disposals

External growth through acquisitions has contributed to the overall growth of our business. We enhanced our logistics platforms through the acquisitions of Cora, a leading independent French distributor of light vehicle parts for collision repair, in 2005 and Bremstar, a distributor with a logistics platform dedicated to spare parts for trucks, in 2008. We also acquired Enssemble, a network of light vehicle spare parts distributors, in 2012 and FPLS, a truck spare parts distributor, in 2013. In December 2013, we acquired Rougon Queyrel, a distributor of spare parts for light vehicles in southeastern France. These acquisitions have impacted our results, and limit the comparability of our results from period to period. We intend to continue to selectively pursue acquisitions to further expand our network in order to increase our market share. By further participating in the industry-wide consolidation of the market and integrating acquired entities into our Group, we believe that we can increase our purchasing power with suppliers, thereby generating better margins. We also intend to expand our geographic coverage in the French truck IAM, in part by making selective, local acquisitions. Since our acquisition by TowerBrook in 2009, we have acquired ten companies and disposed of four companies.

Following the conclusion of a fulsome due diligence process, the Parent Guarantor has been granted a period of exclusivity to negotiate with ACR's shareholders with respect to a potential acquisition of ACR and its subsidiary by Autodistribution S.A. The exclusive negotiations are on the basis of an enterprise value for ACR of between €55 and €65 million. Autodistribution S.A. and ACR have agreed to initiate the works council consultation processes to proceed with the Contemplated ACR Acquisition. Under these consultation processes, the applicable works councils will have a period of time to review and give their opinion on the Contemplated ACR Acquisition, but are not required to approve, and do not have the right to veto, the Contemplated ACR Acquisition. These works council consultation processes are required to be completed prior to entry into any definitive agreement in respect of the Contemplated ACR Acquisition. We expect these consultation processes to take at least 15 days from January 14, 2014, date they were initiated.

For the twelve months ended October 31, 2013, ACR generated revenue of €68.9 million and Adjusted EBITDA of € 6.6 million. If the Contemplated ACR Acquisition is completed, ACR will become a subsidiary of Autodistribution S.A., itself an indirect wholly-owned subsidiary of the Parent Guarantor. If we complete the Contemplated ACR Acquisition, ACR's operating results will be consolidated with ours in the future. As a result, if we complete the Contemplated ACR Acquisition, our financial results in the future will not be directly comparable to those in this Offering Memorandum.

If we complete the Contemplated ACR Acquisition, we will account for the acquisition of ACR using the acquisition method of accounting. As a result, the purchase price for ACR will be, allocated to the tangible and intangible assets acquired and liabilities assumed based upon their respective fair values as of the date of the acquisition. The excess of the purchase price over these allocations will be assigned to goodwill, which is not amortized for accounting purposes but is subject to testing for impairment at least annually. The allocation of the purchase price of the assets acquired in the acquisition will be determined by external experts. This determination of fair values will result in an increase to our amortization expense. This relates to our acquired intangible assets because we adjust the book value of the acquired intangible assets to fair value. Under applicable accounting guidance, we are permitted to continue to make fair value adjustments until twelve months after the acquisition date. We will evaluate the remaining depreciable lives of the assets to reflect the estimated useful lives for purposes of calculating periodic depreciation, and we will continue to amortize the intangible assets over their estimated useful lives. We will also continue to review the value of the inventory and may make further adjustments to the fair value, which may change the costs and expenses recognised by us upon the sale of this acquired inventory.

Operational improvement measures

Our results are impacted by operational improvement measures that we implement. Since our acquisition by TowerBrook in 2009 we have developed and continue to implement operating strategies designed to increase revenues, reduce costs and capital expenditures and improve margins. Specifically, we have:

- *Installed a new management team.* We introduced a new, experienced management team who were capable of implementing our strategic vision and driving profitability.
- *Implemented a Profit Improvement Plan.* The PIP was initiated following our acquisition by TowerBrook in 2009, and since the beginning of its implementation through the ten months ended October 31, 2013, our EBITDA has increased by approximately €30 million in the twelve months ended October 31, 2013 compared to the year ended December 31, 2009. The primary focus of the PIP was to reduce the cost of management and administration at our subsidiaries by implementing shared services, limiting employee costs in our local businesses, and minimizing transportation and logistics costs by optimizing truck routes and making greater use of central distribution facilities. We also sought to improve productivity by eliminating certain loss-making businesses. The PIP also focused on improving the way our central purchasing departments make purchases, in addition to refining our enterprise resource system ("ERP") to allow us to analyze rebates across our business. As part of such improvements, we segmented purchases among different product groups, gradually concentrated purchases of core mechanical repair parts among selected suppliers and used our Group-wide purchasing power to negotiate improved rebates for purchases of fast-moving spare parts and spare parts with a dominant supplier.

  Integrated payment terms into current working capital operations. A law enacted in France in 2008 reduced payment terms as follows: pursuant to Article L. 441-6 of the French Commercial Code (the "FCC") "unless otherwise specified by the conditions of sale or agreed between the parties, the payment period is set for the 30th day following the date of receipt of the foods or performance of the service requested." Since the adoption of this law, Article L. 441-6 of the FCC also provides that "the payment period agreed upon between the parties may not exceed forty-five (45) days from month-end or 60 days as from the date of the invoice." This law has thus implemented a maximum payment period to all products and services (before its adoption, the parties were able to contractually determine the payment period without any specific limit, except for transactions relating to, among others, transport). The implementation of this law had led to a 30-day payment term reduction which resulted in a one-off, cumulative cash outflow of approximately €60 million in 2009 and early 2010.

  Article L. 441-6 of the FCC is however currently under discussion before the French Parliament. The draft of a new law called "loi Hamon," which is expected to be adopted by the French Parliament by early 2014, provides for the following additional provision to Article L. 441-6 of the FCC: "In case of a monthly invoice the payment period may not exceed forty-five (45) days as from the date of the invoice." Therefore, at this stage, the amendment of the payment period proposed by the loi Hamon would only apply to monthly invoices, as defined under French law. If such change or a further change in regulation were to cause an additional reduction in payment terms, we believe that such change will be less drastic and that we would be able to quickly and fully adapt our working capital cycle to such revised payments terms. We also believe we would be able to pass some further changes in such payment terms on to our customers.

- *Revised margins applied to distributors.* Prior to 2009, we charged different margins to wholly-owned distributors and affiliated independent distributors. We have since moved to a uniform margin for wholly-owned distributors and affiliated independent distributors. We have also implemented a loyalty program with both our wholly-owned and our affiliated independent distributors to encourage them to purchase spare parts and equipment and tools from our central purchasing departments. As members of our loyalty program, all our distributors receive the benefit of our volume rebates by typically agreeing to purchase at least 70% of their spare parts from us, driving our volumes.

We believe that one of our most important competitive advantages has been our ability to use the purchasing power derived from our large size and specialized warehouse and logistics systems. Through our logistics process, we have been able to obtain more favorable supply terms from suppliers than those available to many other participants in the light vehicle and truck aftermarket. As part of the PIP, we sought to reduce the number of suppliers we use, and thus we have concentrated larger volumes of purchases among fewer suppliers, resulting in improved purchasing terms and conditions for product groups that we distribute. In order to preserve our flexibility in obtaining favorable prices in the market, we do not generally enter into long-term supply contracts. We believe this purchasing policy has generally resulted in lower costs.

Beginning in 2014, we will implement a new five-year business plan. As part of this business plan, we intend to develop our business-to-business sales of spare parts for light vehicles by increasing the efficiency of our logistics platforms and our supply model, and by improving our customer service with more efficient call centers. We also intend to further develop over-the-counter sales of light vehicle spare parts through over-the-counter loyalty programs, specific marketing efforts and dedicated sales force training. We intend to further develop our truck business by implementing a new sales strategy, including redefining our product assortment to better suit local market expectations, launching new sales tools, such as the eBook sales IT system, and increasing our interaction with our main customers through a product offering tailored to such customers.

Competition

Our results are affected by the level of competition and the types of competitors operating in the light vehicle and truck spare parts aftermarket. Our main competitors in the markets in which we operate are other IAM light vehicle and truck spare part distributors, autocenters, and fast-fitter chains. The IAM is currently undergoing a period of consolidation, in both France and Poland. While we participating in this trend of consolidation, we expect that, we will face larger and better-funded competitors in the future as a result.

We also compete against online light vehicle spare parts retailers which mainly compete with us on the basis of price. We believe that an increasing number of customers compare prices on the internet before making a purchase and generally choose products with the most competitive price. We realized at an early stage that the internet offered innovative opportunities for light vehicle and truck spare parts distributors. As a result, we created the Autossimo online light vehicle repair and maintenance portal in 2000 and the Truckissimo online truck repair and maintenance portal in 2001 in order to address the demand for ordering spare parts online. For the twelve months ended October 31, 2013, almost €100 million of our revenue by both our wholly-owned distributors and affiliated independent distributors was generated from the sale of light vehicle spare parts through our online portal, Autossimo.

In addition, we also compete with manufacturers' dealer garages such as Peugeot and Renault. Manufacturers' dealer garages typically specialize in light vehicles from newly-purchased to three-year-old vehicles, and capture a large share of light vehicle and truck repairs covered by warranties, as well as a more limited share of light vehicle and truck repairs aged four years and older. However, certain vehicle manufacturers have extended their new light vehicles warranties to up to eight years and cover longer-term maintenance and repairs.

Explanation of key income statement line items

The following is a brief description of the revenue and expenses that are included in the line items of our income statement

Revenue

Revenue is generated through primarily the sale of products and, to a lesser extent, services to our customers. We recognize revenue from the sale of products when we deliver the goods to the customer. We recognize revenue from services in the period in which services are rendered. We deduct customer rebates and bonuses and other taxes on sales.

Cost of goods for sale

Cost of goods for sale includes the purchases of goods, supplier rebates, change in inventories and net allocation to inventories depreciation.

Personnel costs

Personnel costs include wages, social security contributions, profit-sharing plans and pension costs.

Other purchases and external expenses

Other purchases and external expenses relate to non-direct operating costs, including rental expenses, shipping expenses, maintenance and repairs costs, legal and other fees, IT expenses, advertising expenses, subcontracting costs, travelling and other expenses.

Taxes

Taxes include taxes on salaries (mainly taxes in respect of vocational training), social construction tax (*cotisation foncière des entreprises*), social solidarity contribution (contribution sociale de solidarité — a tax calculated based on a percentage of net sales), and other taxes other than income taxes.

EBITDA

EBITDA represents net income/(loss) from continuing operations before income tax, financial items (net), share of income of associates, other income/(expenses) from operations and depreciation/amortization expense.

Depreciation/amortization expense

Depreciation/amortization expenses represent the depreciation of property, plant, equipment and intangible assets (excluding goodwill and our brands, such as AD), which are depreciated over their estimated useful lives. Property, plant, equipment and intangible assets are tested for impairment when there are indications of impairment and an impairment charge is recorded in other expenses from operations when the recoverable amount of an intangible asset is lower than its carry value.

Other income and expenses from operations

Other income and expenses from operations generally relate to one-off events or other events outside of our ordinary business. Other income and expenses from operations can include gains and losses on the disposal of operations, of property, plant and equipment, and intangible assets, as well as costs relating to provisions and expenses relating to restructuring, employee and tax disputes, and impairment losses/reversals.

Financial income and expenses

Financial income includes income from financial investments, foreign exchange gains and other financial income. Financial expenses include interest on external loans and bank overdrafts payable by the Group, discounting of borrowings and debt, expenses related to financial instruments and to finance leases, foreign exchange losses and other financial expenses.

Income tax

Income taxes consist of current tax expense, CVAE and changes in deferred tax assets.

Description of other key financial indicators

Adjusted EBITDA

Adjusted EBITDA is defined as EBITDA adjusted for certain items that we consider to be non-recurring or exceptional in nature, or otherwise not reflective of the ongoing performance of our business. See the table set forth in "*Summary—Summary consolidated financial and other information*" for a reconciliation of EBITDA and Adjusted EBITDA to net income/(loss) from continuing operations for the ten months ended October 31, 2013 and October 31, 2012, and for the years ended December 31, 2012, December 31, 2011 and December 31, 2010.

Results of operations

The table below sets forth our results of operations for the years ended December 31, 2010, 2011 and 2012, and for the ten months ended October 31, 2012 and 2013:

(€ in millions)	Year ended December 31, 2010	2011	2012	Ten months ended October 31, 2012	2013
Revenue	**1,090.7**	**1,085.4**	**1,084.3**	**907.3**	**952.2**
Cost of goods for sale	(712.5)	(702.4)	(689.9)	(575.2)	(594.6)
Personnel costs	(223.7)	(219.2)	(223.7)	(183.2)	(197.9)
Other purchases and external expenses	(122.9)	(120.7)	(121.9)	(101.9)	(104.5)
Taxes	(8.4)	(6.6)	(8.2)	(7.1)	(8.0)
Other operating income and expenses	2.3	2.7	4.4	2.7	1.3
EBITDA	**25.5**	**39.2**	**45.0**	**42.6**	**48.5**
Depreciation/amortization expense	(18.6)	(17.0)	(15.1)	(12.4)	(13.6)
Recurring operating income	**6.9**	**22.2**	**29.9**	**30.2**	**34.9**
Other income from operations	23.1	125.5	3.4	2.5	6.1
Other expenses from operations	(29.0)	(18.9)	(7.2)	(5.2)	(8.0)
Operating income	**1.0**	**128.8**	**26.1**	**27.5**	**33.0**
Financial income	1.7	1.7	2.3	1.5	12.8
Financial expenses	(12.2)	(15.0)	(10.7)	(8.9)	(7.6)
Share of income from associates	0.3	0.4	(0.0)	(0.0)	0.0
Income before tax	**(9.2)**	**115.9**	**17.7**	**20.1**	**38.2**
Income tax	(2.0)	14.1	(7.8)	(6.8)	(5.4)
Net income from continuing operations	**(11.2)**	**130.0**	**9.9**	**13.3**	**32.8**
Net income from discontinued operations	—	(1.9)	(3.9)	(3.5)	—
Net income for the year	**(11.2)**	**128.1**	**6.0**	**9.8**	**32.8**

The table below presents our revenue, Adjusted EBITDA and Adjusted EBITDA margin for the years ended December 31, 2010, 2011 and 2012, and for the ten months ended October 31, 2012 and 2013.

(€ in millions)	Year ended December 31, 2010	2011	2012	Ten months ended October 31, 2012	2013
Revenue	**1,090.7**	**1,085.4**	**1,084.3**	**907.3**	**952.2**
Revenue France	965.4	975.9	976.5	817.1	857.6
Of which to wholly-owned distributors	713.7	712.0	730.6	608.5	645.7
Of which to affiliated independent distributors	251.7	264.0	246.0	208.6	211.9
Revenue International (Poland and Italy*)	125.3	109.5	107.8	90.2	94.7
Adjusted EBITDA	**29.2**	**41.9**	**48.3**	**45.0**	**49.8**
Adjusted EBITDA France	28.8	41.9	49.7	46.1	48.3
Adjusted EBITDA International (Poland and Italy*)	0.4	0.0	(1.4)	(1.1)	1.5
Adjusted EBITDA margin	**2.7%**	**3.9%**	**4.5 %**	**5.0 %**	**5.2%**
Adjusted EBITDA margin France	3.0%	4.3%	5.1 %	5.6 %	5.6%
Adjusted EBITDA margin International (Poland and Italy*)	0.3%	0.0%	(1.3)%	(1.2)%	1.6%

* For the year ended December 31, 2010.

Ten months ended October 31, 2013 compared to ten months ended October 31, 2012

The table below sets forth our results of operations for the ten months ended October 31, 2013, compared to the ten months ended October 31, 2012.

(€ millions, except for %)	Ten months ended October 31, 2012	2013	Amount of change	% change
Revenue	**907.3**	**952.2**	**44.9**	**4.9 %**
Cost of goods for sale	(575.2)	(594.6)	19.4	3.4 %
Personnel costs	(183.2)	(197.9)	14.7	8.0 %
Other purchases and external expenses	(101.9)	(104.5)	2.6	2.6 %
Taxes	(7.1)	(8.0)	0.9	12.7 %
Other operating income and expenses	2.7	1.3	(1.4)	(51.9)%
EBITDA	**42.6**	**48.5**	**5.9**	**13.8 %**
Depreciation/amortization expense	(12.4)	(13.6)	1.2	9.7 %
Recurring operating income	**30.2**	**34.9**	**4.7**	**15.6 %**
Other income from operations	2.5	6.1	3.6	144.0 %
Other expenses from operations	(5.2)	(8.0)	2.8	53.8 %
Operating income	**27.5**	**33.0**	**5.5**	**20.0 %**
Financial income	1.5	12.8	11.3	753.3 %
Financial expenses	(8.9)	(7.6)	(1.3)	(14.6)%
Share of income from associates	(0.0)	0.0	0.0	0.0 %
Income before tax	**20.1**	**38.2**	**18.1**	**90.0 %**
Income tax	(6.8)	(5.4)	(1.4)	(20.6)%
Net income from continuing operations	**13.3**	**32.8**	**19.5**	**146.6 %**
Net income from discontinued operations	(3.5)	—	3.5	n/m
Net income for the year	**9.8**	**32.8**	**23.0**	**234.7 %**

The table below presents our revenue, Adjusted EBITDA and Adjusted EBITDA margin for the ten months ended October 31, 2013 compared to the ten months ended October 31, 2012.

(€ millions, except for % and basis points ("bps"))	Ten months ended October 31, 2012	2013	Amount of change	% change
Revenue	**907.3**	**952.2**	**44.9**	**4.9%**
Revenue France	817.1	857.6	40.5	5.0%
Of which to wholly-owned distributors	608.5	645.7	37.2	6.1%
Of which to affiliated independent distributors	208.6	211.9	3.3	1.6%
Revenue International (Poland)	90.2	94.7	4.5	5.0%
Adjusted EBITDA	**45.0**	**49.8**	**4.8**	**10.7%**
Adjusted EBITDA France	46.1	48.3	2.2	4.8%
Adjusted EBITDA International (Poland)	(1.1)	1.5	2.6	n/m
Adjusted EBITDA margin	**5.0 %**	**5.2%**	**20 bps**	
Adjusted EBITDA margin France	5.6 %	5.6%	0 bps	
Adjusted EBITDA margin International (Poland)	(1.2)%	1.6%	280 bps	

Revenue

Revenue increased by €44.9 million, or 4.9%, from €907.3 million for the ten months ended October 31, 2012, to €952.2 million for the ten months ended October 31, 2013.

In France, revenue increased by €40.5 million, or 5.0%, from €817.1 million for the ten months ended October 31, 2012, to €857.6 million for the ten months ended October 31, 2013.

Revenue from sales by our wholly-owned distributors increased by €37.2 million, or 6.1%, from €608.5 million for the ten months ended October 31, 2012, to €645.7 million for the ten months ended October 31, 2013. This increase was primarily the result of our acquisition of Enssemble on

July 9, 2012 (which contributed €52.9 million in revenue in the ten months ended October 31, 2013, compared to €20.5 million in the ten months ended October 31, 2012), the acquisition of FPLS on January 1, 2013 (which contributed €20.3 million to our revenue in the ten months ended October 31, 2013), the acquisition of the RPDC group on January 31, 2013 (which contributed €2.6 million to our revenue in the ten months ended October 31, 2013), and the acquisition of CAMI on June 30, 2013 (which contributed €0.8 million to our revenue in the ten months ended October 31, 2013). Excluding the effect of these acquisitions, revenue from sales by our wholly-owned distributors decreased by €18.9 million, or 3.2% on a like-for-like basis reflecting underperformance at certain distribution sites and weaker market conditions at the beginning of 2013. We have sought to address underperforming sites through closures, replacement of management and implementation of profit improvement initiatives.

Revenue from sales to affiliated independent distributors increased by €3.3 million, or 1.6%, from €208.6 million for the ten months ended October 31, 2012, to €211.9 million for the ten months ended October 31, 2013, primarily as a result of a resilient trading performance in a weak market and several acquisitions made by affiliated independent distributors in the ten months ended October 31, 2013.

In Poland, revenue increased by €4.5 million, or 5.0%, from €90.2 million for the ten months ended October 31, 2012, to €94.7 million for the ten months ended October 31, 2013, primarily due to a reorganization and initiatives put in place by the new management team.

Adjusted EBITDA

Adjusted EBITDA increased by €4.8 million, or 10.7%, from €45.0 million for the ten months ended October 31, 2012, to €49.8 million for the ten months ended October 31, 2013. Adjusted EBITDA margin improved from 5.0% for the ten months ended October 31, 2012, to 5.2% for the ten months ended October 31, 2013.

In France, Adjusted EBITDA increased by €2.2 million, or 4.8%, from €46.1 million for the ten months ended October 31, 2012, to €48.3 million for the ten months ended October 31, 2013. Adjusted EBITDA margin was stable at 5.6% between the ten months ended October 31, 2012 and the ten months ended October 31, 2013. This increase in Adjusted EBITDA was primarily due to lower costs of goods for sale as a percentage of revenue, mainly due to increases in the level of supplier rebates, following a renegotiation of rates with our suppliers as part of our PIP, as well as a reduction in other purchases and external expenses relative to revenue, mainly due to the closing of certain underperforming wholly-owned distribution sites and the renegotiation of certain of our lease agreements, as part of our PIP. This increase in Adjusted EBITDA was partly offset by an increase in personnel costs relative to revenue, mainly due to increases in wages and social contributions over this period, as well as an increase in our headcount following our acquisition of Enssemble in July 2012 and FPLS in January 2013. The impact of acquisitions on our personnel costs was partly offset by overall headcount reductions as part of our PIP, particularly at certain of our distribution subsidiaries, together with the impact of €4.0 million relating to CICE.

In Poland, EBITDA increased by €2.6 million, from a loss of €1.1 million for the ten months ended October 31, 2012, to positive EBITDA of €1.5 million for the ten months ended October 31, 2013. Adjusted EBITDA margin improved from negative 1.2% for the ten months ended October 31, 2012, to positive 1.6% for the ten months ended October 31, 2013. This increase was primarily due to lower personnel costs, mainly due to headcount reductions in our Polish distribution operations, and an increase in supplier rebates. Both the headcount reductions and the increase in supplier rebates resulted from the initiatives taken by the new management team.

Cost of goods for sale

Cost of goods for sale increased by €19.4 million, or 3.4%, from €575.2 million for the ten months ended October 31, 2012 to €594.6 million for the ten months ended October 31, 2013. Cost of goods for sale as a percentage of revenue decreased from 63.4% for the ten months ended October 31, 2012, to 62.4% for the ten months ended October 31, 2013. This decrease in cost of goods for sale as a percentage of revenue was primarily due to increases in supplier rebates, following a renegotiation of rates with our suppliers as part of our PIP.

Personnel costs

Personnel costs increased by €14.7 million, or 8.0%, from €183.2 million for the ten months ended October 31, 2012, to €197.9 million for the ten months ended October 31, 2013. Personnel costs as a percentage of revenue increased slightly from 20.2% for the ten months ended October 31, 2012, to 20.8% for ten months ended October 31, 2013. These increases were primarily due to increases in wages and social contributions of €12.3 million and €2.0 million, respectively, over this period, as well as an increase in headcount following our acquisition of Enssemble in July 2012 and FPLS in January 2013.

Increased wages and social contributions were partly offset by overall headcount reductions as part of our PIP, particularly at our French distribution subsidiaries and in Poland, together with the positive impact of €4.0 million relating to CICE.

Other purchases and external expenses

Other purchases and external expenses increased by €2.6 million, or 2.6%, from €101.9 million for the ten months ended October 31, 2012, to €104.5 million for the ten months ended October 31, 2013. This increase was primarily due to increased rental costs of €2.2 million resulting from the addition of 38 rented sites following our acquisitions of Enssemble in July 2012 and FPLS in January 2013.

Other purchases and external expenses as a percentage of revenue decreased from 11.2% for the ten months ended October 31, 2012, to 11.0% for the ten months ended October 31, 2013. This decrease was primarily due to the closing of certain underperforming distribution sites and the renegotiation of certain of our rental agreements in connection with our PIP.

Taxes

Taxes increased by €0.9 million, or 12.7%, from €7.1 million for the ten months ended October 31, 2012, to €8.0 million for the ten months ended October 31, 2013. In the ten months ended October 31, 2013, taxes mainly comprised of French vocational training tax of €1.9 million (compared to €1.2 million in the ten months ended October 2012), social construction tax of €1.7 million (compared to €1.8 million in the ten months ended October 2012), social solidarity contribution of €1.5 million (compared to €1.4 million in the ten months ended October 2012), and taxes other than income taxes of €2.8 million (compared to €2.6 million in the ten months ended October 2012). This increase was primarily due to an increase in the amount of vocational training we provided.

Depreciation/amortization expense

Depreciation/amortization expense increased by €1.2 million, or 9.7%, from €12.4 million for the ten months ended October 31, 2012, to €13.6 million for the ten months ended October 31, 2013. This increase was primarily due to the amortization of assets in Poland in the ten months ended October 31, 2013, while no amortization had been recognized in the corresponding period in 2012. Those assets were fully impaired in 2012 and the impairment charge was released in 2013 as a result of the strong recovery in Poland following management initiatives.

Other income from operations

Other income from operations increased by €3.6 million, or 144.0%, from €2.5 million for the ten months ended October 31, 2012, to €6.1 million for the ten months ended October 31, 2013. This increase was primarily due to a reversal of impairment of €2.9 million on our Polish property, plant and equipment and intangible assets after improved performance, following the full impairment of these assets as of December 31, 2012.

Other expenses from operations

Other expenses from operations increased by €2.8 million, or 53.8%, from €5.2 million for the ten months ended October 31, 2012, to €8.0 million for the ten months ended October 31, 2013. This increase was primarily due to restructuring costs relating to headcount reductions and the closing of certain distribution sites in connection with our PIP.

Financial income and expenses

Financial income increased by €11.3 million, from €1.5 million for the ten months ended October 31, 2012, to €12.8 million for the ten months ended October 31, 2013. This increase was mainly due to the fair value adjustment of Contingent Value Instruments in the amount of €12.4 million for the ten months ended October 31, 2013.

Financial expenses decreased by €1.3 million, or 14.6%, from €8.9 million for the ten months ended October 31, 2012, to €7.6 million for the ten months ended October 31, 2013. This decrease was primarily due to a reduction in our cost of debt following amortization payments of €10.0 million of our Senior Equity Loan and €5.0 million of our Senior Facility Agreement loans in June 2012 and June 2013, respectively. In addition, we recorded a negative net foreign exchange variance of €0.3 million for the ten months ended October 31, 2013, compared to a positive net foreign exchange variance of €0.8 million for the ten months ended October 31, 2012. Foreign exchange gains and losses in our business are primarily due to fluctuations in the Polish złoty exchange rate on our local overdraft and working capital borrowings denominated in Polish złoty.

Income tax

Income tax decreased by €1.4 million, from an expense of €6.8 million for the ten months ended October 31, 2012, to an expense of €5.4 million for the ten months ended October 31, 2013. In the ten months ended October 31, 2013, income tax comprised CVAE of €4.4 million (compared to €3.8 million in the ten months ended October 31, 2012), current tax expense of €2.6 million (compared to €0.4 million in the ten months ended October 31, 2012) and deferred tax income of €1.6 million (compared to an expense of €2.6 million in the ten months ended October 31, 2012). This decrease in income tax expense was mainly due to an increase in the higher recognition of tax losses carried forward for the ten months ended October 31, 2013.

Year ended December 31, 2012 compared to year ended December 31, 2011

The table below sets forth our results of operations for the year ended December 31, 2012 compared to the year ended December 31, 2011.

	Years ended December 31,			
(€ millions, except for %)	**2011**	**2012**	**Amount of change**	**% change**
Revenue	**1,085.4**	**1,084.3**	**(1.1)**	**(0.1)%**
Cost of goods for sale	(702.4)	(689.9)	(12.5)	(1.8)%
Personnel costs	(219.2)	(223.7)	4.5	2.1 %
Other purchases and external expenses	(120.7)	(121.9)	1.2	1.0 %
Taxes	(6.6)	(8.2)	1.6	24.2 %
Other operating income and expenses	2.7	4.4	1.7	63.0 %
EBITDA	**39.2**	**45.0**	**5.8**	**14.8 %**
Depreciation/amortization expense	(17.0)	(15.1)	(1.9)	(11.2)%
Recurring operating income	**22.2**	**29.9**	**7.7**	**34.7 %**
Other income from operations	125.5	3.4	(122.1)	(97.3)%
Other expenses from operations	(18.9)	(7.2)	(11.7)	(61.9)%
Operating income	**128.8**	**26.1**	**(102.7)**	**(79.7)%**
Financial income	1.7	2.3	0.6	35.3 %
Financial expenses	(15.0)	(10.7)	(4.3)	(28.7)%
Share of income from associates	0.4	(0.0)	(0.4)	(100.0)%
Income before tax	**115.9**	**17.7**	**(98.2)**	**(84.7)%**
Income tax	14.1	(7.8)	(21.9)	n/m
Net income from continuing operations	**130.0**	**9.9**	**(120.1)**	**(92.4)%**
Net income from discontinued operations	(1.9)	(3.9)	2.0	105.3 %
Net income for the year	**128.1**	**6.0**	**(122.1)**	**(95.3)%**

The table below presents our revenue, Adjusted EBITDA and Adjusted EBITDA margin for the year ended December 31, 2012 compared to the year ended December 31, 2011.

	Years ended December 31,			
(€ millions, except for % and bps)	**2011**	**2012**	**Amount of change**	**% change**
Revenue	**1,085.4**	**1,084.3**	**(1.1)**	**(0.1)%**
Revenue France	975.9	976.5	0.6	0.1%
Of which to wholly-owned distributors	712.0	730.6	18.6	2.6%
Of which to affiliated independent distributors	264.0	246.0	(18.0)	(6.8)%
Revenue International (Poland)	109.5	107.8	(1.7)	(1.6)%
Adjusted EBITDA	41.9	48.3	6.4	15.3%
Adjusted EBITDA France	41.9	49.7	7.8	18.6%
Adjusted EBITDA International (Poland)	0.0	(1.4)	(1.4)	n/a
Adjusted EBITDA margin	3.9 %	4.5 %	60 bps	
Adjusted EBITDA margin France	4.3 %	5.1 %	80 bps	
Adjusted EBITDA margin International (Poland)	0.0 %	(1.3)%	(130) bps	

Revenue

Revenue decreased by €1.1 million, or 0.1%, from €1,085.4 million for the year ended December 31, 2011, to €1,084.3 million for the year ended December 31, 2012. In France, revenue increased by €0.6 million, or 0.1%, from €975.9 million for the year ended December 31, 2011, to €976.5 million for the year ended December 31, 2012. Revenue from sales by our wholly-owned distributors increased by €18.6 million, or 2.6%, from €712.0 million for the year ended December 31, 2011, to €730.6 million for the year ended December 31, 2012. This increase was primarily the result of our acquisition of Enssemble on July 9, 2012 (which contributed €31.7 million to our revenue for the year ended December 31, 2012) and the acquisition of Truck Car Services and TC26 on December 30, 2011 (which contributed €2.4 million to our revenue for the year ended December 31, 2012). Excluding the effect of these acquisitions, revenue from sales by our wholly-owned distributors decreased by €15.5 million, reflecting underperformance at certain distribution sites, as well as weaker market conditions in 2012 and a €0.7 million increase in the bonuses granted to our customers.

Revenue from sales to our affiliated independent distributors decreased by €18.0 million, or 6.8%, from €264.0 million for the year ended December 31, 2011, to €246.0 million for the year ended December 31, 2012. This decrease was due to the acquisition of Enssemble as a wholly-owned distributor, because it had previously been an affiliated independent distributor, as well as a €8.0 million increase in the bonuses granted to our affiliated independent distributors to incentivize purchase order concentration through our central purchasing department.

In Poland, revenue decreased by €1.7 million, or 1.6%, from €109.5 million for the year ended December 31, 2011, to €107.8 million for the year ended December 31, 2012. This decrease was mainly due to challenging market conditions and significant price competition in Poland.

Adjusted EBITDA

Adjusted EBITDA increased by €6.4 million, or 15.3%, from €41.9 million for the year ended December 31, 2011, to €48.3 million for the year ended December 31, 2012. Adjusted EBITDA margin increased from 3.9% for the year ended December 31, 2011, to 4.5% for the year ended December 31, 2012.

In France, Adjusted EBITDA increased by €7.8 million, or 18.6%, from €41.9 million for the year ended December 31, 2011, to €49.7 million for the year ended December 31, 2012. Adjusted EBITDA margin increased from 4.3% for the year ended December 31, 2011, to 5.1% for the year ended December 31, 2012. This increase was mainly due to a decrease in cost of goods for sale as a percentage of revenue, which was primarily the result of the combination of a decrease in purchases of goods relative to revenue in France, mainly as a result of higher inventory consumption levels, and an increase in supplier rebates as a result of higher rates negotiated by our central purchasing departments in connection with our PIP. This improvement in cost of goods for sale as a percentage of revenue was partly offset by an increase in personnel costs as a percentage of revenue due to the acquisition of Enssemble, which had a higher ratio of personnel costs to revenue than the Group.

In Poland, Adjusted EBITDA decreased by €1.4 million, from zero for the year ended December 31, 2011, to a loss of €1.4 million for the year ended December 31, 2012. Adjusted EBITDA margin from our Polish business declined from 0.0% for the year ended December 31, 2011, to negative 1.3% for the year ended December 31, 2012. This decrease was mainly due to an increase in the cost of goods for sale as a percentage of revenue, as a result of a decrease in supplier rebates and the negative impact of a €0.6 million change in inventory for the year ended December 31, 2012, compared to a positive impact of €10.4 million for the year ended December 31, 2011. This decrease was partly offset by a decrease in the volume of goods purchased for sale by our Polish operations.

Cost of goods for sale

Cost of goods for sale decreased by €12.5 million, or 1.8%, from €702.4 million for the year ended December 31, 2011, to €689.9 million for the year ended December 31, 2012. Cost of goods for sale as a percentage of revenue decreased from 64.7% for the year ended December 31, 2011, to 63.6% for the year ended December 31, 2012. This decrease was primarily due to a decrease of €22.9 million in purchases of goods for sale, which represented 73.6% of revenue for the year ended December 31, 2011 and 71.6% of revenue for the year ended December 31, 2012, mainly as a result of higher inventory consumption levels, and a €3.0 million increase in supplier rebates, as a result of higher rates negotiated by our central purchasing departments in connection with our PIP. This increase was partly offset by the negative impact of a €2.5 million change in inventory for the year ended December 31, 2012, compared to a positive impact of €10.6 million for the year ended December 31, 2011.

Personnel costs

Personnel costs increased by €4.5 million, or 2.1%, from €219.2 million for the year ended December 31, 2011, to €223.7 million for the year ended December 31, 2012. Personnel costs as a percentage of revenue increased from 20.2% for the year ended December 31, 2011, compared to 20.6% for the year ended December 31, 2012. This increase was primarily due to the acquisition of Enssemble which had a higher ratio of personnel costs to revenue that the Group.

Other purchases and external expenses

Other purchases and external expenses increased by €1.2 million, or 1.0%, from €120.7 million for the year ended December 31, 2011, to €121.9 million for the year ended December 31, 2012. Other purchases and external expenses as a percentage of revenue remained stable at 11.1% for the year ended December 31, 2011, and 11.2% for the year ended December 31, 2012. During the period, we experienced a €0.7 million increase in rental expenses related to the acquisition of Enssemble and a slight increase in rental costs for premises used by our wholly-owned distributors, a €0.7 million increase in shipping expenses due to an increase in transportation costs associated with rising fuel prices and a €1.1 million increase in other expenses. These increased costs were partly offset by renegotiations of lease contracts, the closing of a building at our Logisteo logistics platform in 2011 in connection with our PIP and a €0.9 million decrease in advertising costs, due to the combination of lower expenses related to exhibitions and tradeshows, and increased contributions from suppliers to joint marketing efforts.

Taxes

Taxes increased by €1.6 million, or 24.2%, from €6.6 million for the year ended December 31, 2011, to €8.2 million for the year ended December 31, 2012. This increase was due to the fact the year ended December 31, 2011, included a business tax refused as a result of a rectification in tax calculation, and a nationwide increase in vocational training taxes and other taxes. In 2012, taxes mainly comprised of French vocational training tax of €1.6 million (compared to €1.2 million in 2011), social construction tax of €1.9 million (compared to €1.8 million in 2011), social solidarity contribution of €1.7 million (compared to €1.6 million in 2011) and taxes other than income taxes of €3.0 million (compared to €1.9 million in 2011).

Depreciation/Amortization expense

Depreciation/amortization expenses decreased by €1.9 million, or 11.2%, from €17.0 million for the year ended December 31, 2011, to €15.1 million for the year ended December 31, 2012. This decrease was primarily due to a €1.9 million reduction in depreciation of software and licenses for the year ended December 31, 2012, mainly due to the termination of a leasing agreement relating to IT software and equipment.

Other income from operations

Other income from operations decreased by €122.1 million, from €125.5 million for the year ended December 31, 2011, to €3.4 million for the year ended December 31, 2012. This decrease was primarily due to the reversal of a €117.9 million reserve in respect of the "Autodistribution" brand in the year ended December 31, 2011, following a valuation performed by an independent third party. A previous impairment of the "Autodistribution" brand was recorded in 2008 in the amount of €150.4 million, based on a negative outcome at that time that resulted in a general impairment of intangible assets.

Other expenses from operations

Other expenses from operations decreased by €11.7 million, or 61.9%, from €18.9 million for the year ended December 31, 2011, to €7.2 million for the year ended December 31, 2012. This decrease was primarily due to a €5.9 million decrease in allocations to provisions and expenses for restructuring, employee and tax disputes, which were mainly due to the closure of a building at our Logisteo logistics platform in connection with our PIP, and for which we recorded a provision of €7.1 million in the year ended December 31, 2011. An impairment of fixed assets for our Polish operations of €3.9 million recognized in the year ended December 31, 2011. A €1.0 million decrease in disposal of property, plant and equipment and intangible assets also contributed to this decrease in other expenses from operations.

Financial income and expenses

Financial expenses decreased by €4.3 million, or 28.7%, from €15.0 million for the year ended December 31, 2011, to €10.7 million for the year ended December 31, 2012. This decrease was primarily due to a reduction in the cost of debt due to a €37.9 million decrease of non-current borrowings and debt resulting from the early repayment of €15.0 million in June 2011 and €15.0 million in June 2012 on the Senior Equity Loan and the Existing Senior Facilities. In addition, we recorded a positive net foreign exchange variance of €0.9 million for the year ended December 31, 2012, compared to a negative net foreign exchange variance of €1.3 million for the year ended December 31, 2011, in each case attributable to fluctuations in the Polish złoty exchange rate on our borrowings denominated in Polish złoty.

Income tax

Income tax increased by €21.9 million, from a €14.1 million income for credit for the year ended December 31, 2011 to a €7.8 million income tax expense for the year ended December 31, 2012. In 2012, income tax comprised CVAE of €4.7 million (compared to €4.6 million in 2011), current income tax expense of €0.3 million (compared to €0.7 million in 2011) and a deferred tax expense of €2.8 million (compared to a deferred tax credit of €19.4 million in 2011). This €22.2 million variation in deferred taxes was mainly due to an increase in the recognition of tax loss carry forwards for the year ended December 31, 2011.

__Year ended December 31, 2011 as compared to year ended December 31, 2010__

The table below sets forth our results of operations for the year ended December 31, 2011 compared to the year ended December 31, 2010.

(€ millions, except for %)	Years ended December 31, 2010	2011	Amount of change	% change
Revenue	**1,090.7**	**1,085.4**	**(5.3)**	**(0.5)%**
Cost of goods for sale	(712.5)	(702.4)	(10.1)	(1.4)%
Personnel costs	(223.7)	(219.2)	(4.5)	(2.0)%
Other purchases and external expenses	(122.9)	(120.7)	(2.2)	(1.8)%
Taxes	(8.4)	(6.6)	(1.8)	(21.4)%
Other operating income and expenses	2.3	2.7	0.4	17.4 %
EBITDA	**25.5**	**39.2**	**13.7**	**53.7 %**
Depreciation/amortization expense	(18.6)	(17.0)	(1.6)	(8.6)%
Recurring operating income	**6.9**	**22.2**	**15.3**	**221.7 %**
Other income from operations	23.1	125.5	102.4	443.3 %
Other expenses from operations	(29.0)	(18.9)	(10.1)	(34.8)%
Operating income	**1.0**	**128.8**	**127.8**	**n/m**
Financial income	1.7	1.7	0.0	0.0 %
Financial expenses	(12.2)	(15.0)	2.8	23.0 %
Share of income from associates	0.3	0.4	0.1	33.3 %
Income before tax	**(9.2)**	**115.9**	**125.1**	**n/m**
Income tax	(2.0)	14.1	(16.1)	n/m
Net income from continuing operations	**(11.2)**	**130.0**	**141.2**	**n/m**
Net income from discontinued operations	—	(1.9)	(1.9)	n/a
Net income for the year	**(11.2)**	**128.1**	**139.3**	**n/m**

The table below presents our Revenue, Adjusted EBITDA and Adjusted EBITDA margin for the year ended December 31, 2011 compared to the year ended December 31, 2010.

(€ millions, except for % and bps)	Years ended December 31, 2010	2011	Amount of change	% change
Revenue	1,090.7	1,085.4	(5.3)	(0.5)%
Revenue France	965.4	975.9	10.5	1.1 %
Of which wholly-owned distributors	713.7	712.0	(1.7)	(0.2)%
Of which affiliated independent distributors	251.7	264.0	12.3	4.9 %
Revenue International (Poland and Italy*)	125.3	109.5	(15.8)	(12.6)%
Adjusted EBITDA	29.2	41.9	12.7	43.5 %
Adjusted EBITDA France	28.8	41.9	13.1	45.5 %
Adjusted EBITDA International (Poland and Italy*)	0.4	0.0	(0.4)	(100)%
Adjusted EBITDA margin	2.7%	3.9%	120 bps	
Adjusted EBITDA margin France	3.0%	4.3%	130 bps	
Adjusted EBITDA margin International (Poland and Italy*)	0.3%	0.0%	(30) bps	

* For the year ended December 31, 2010.

Revenue

Revenue decreased by €5.3 million, or 0.5%, from €1,090.7 million for the year ended December 31, 2010, to €1,085.4 million for the year ended December 31, 2011.

In France, revenue increased by €10.5 million, or 1.1%, from €965.4 million for the year ended December 31, 2010, to €975.9 million for the year ended December 31, 2011.

Revenue from sales by our wholly-owned distributors remained relatively stable, decreasing by €1.7 million, or 0.2%, from €713.7 million for the year ended December 31, 2010, to €712.0 million for the year ended December 31, 2011.

Revenue from sales to affiliated independent distributors increased by €12.3 million, or 4.9%, from €251.7 million for the year ended December 31, 2010, to €264.0 million for the year ended December 31, 2011. This increase was due to our strong organic volume growth in sales to affiliated independent distributors, primarily due to the sale of a wholly-owned distributor in June 2010, which subsequently became an affiliated independent distributor.

In our international operations, including Poland, revenue decreased by €15.8 million, or 12.6%, from €125.3 million for the year ended December 31, 2010, to €109.5 million for the year ended December 31, 2011. This decrease was primarily due to the reclassification of our Italian operations within discontinued operations in 2011 following the sale of our majority stake, which had a negative impact of €16.1 million on our international revenue for the year ended December 31, 2011. Excluding this reclassification, international revenue remained stable, increasing by 0.3 million or 0.2%, from the year ended December 31, 2010 to the year ended December 31, 2011.

Adjusted EBITDA

Adjusted EBITDA increased by €12.7 million, or 43.5%, from €29.2 million for the year ended December 31, 2010, to €41.9 million for the year ended December 31, 2011. Adjusted EBITDA margin increased from 2.7% for the year ended December 31, 2010, to 3.9% for the year ended December 31, 2011.

In France, Adjusted EBITDA increased by €13.1 million, or 45.5%, from €28.8 million for the year ended December 31, 2010, to €41.9 million for the year ended December 31, 2011. Adjusted EBITDA margin increased from 3.0% for the year ended December 31, 2010, to 4.3% for the year ended December 31, 2011. These increases were mainly due to a decrease in cost of goods for sale relative to revenue, which resulted from the combination of an increased focus on purchasing efficiency and a decline in the positive impact of the change in our inventory for the year ended December 31, 2011, compared to the year ended December 31, 2010. The increase in Adjusted EBITDA margin in France was also due to a decrease in personnel costs and other purchases and external expenses relative to revenue, which resulted from a decrease in headcount in our central purchasing department, headquarters and distribution subsidiaries in connection with our PIP, as well as a decrease in marketing and IT expenses in our subsidiaries.

Internationally, Adjusted EBITDA remained stable, decreasing by €0.4 million, from €0.4 million for the year ended December 31, 2010, to zero for the year ended December 31, 2011. Our international Adjusted EBITDA margin declined from 0.3% for the year ended December 31, 2010, to 0.0% for the year ended December 31, 2011. For the year ended December 31, 2010, the positive €1.3 million contribution of our Polish operations to international Adjusted EBITDA was partly offset by the negative €1.0 million contribution of our Italian operations. For the year ended December 31, 2011, international Adjusted EBITDA consisted only of the zero Adjusted EBITDA of our Polish operations, due to the reclassification of our Italian operations within discontinued operations.

Cost of goods for sale

Cost of goods for sale decreased by €10.1 million, or 1.4%, from €712.5 million for the year ended December 31, 2010, to €702.4 million for the year ended December 31, 2011. Cost of goods for sale as a percentage of revenue decreased from 65.3% for the year ended December 31, 2010, to 64.7% for the year ended December 31, 2011. This decrease was partly due to the reclassification of the Italian operations as discontinued operations, which accounted for €14.1 million of cost of goods for sale for the year ended December 31, 2011. Excluding this reclassification, cost of goods for sale as a percentage of our revenue decreased from 65.3% for the year ended December 31, 2010, to 65.0% for the year ended December 31, 2011. This decrease was due to a €2.3 million decrease in net inventories depreciation (without giving effect to the reclassification of our Italian operations) resulting from improvements in inventory management, and the positive impact of an €11.7 million change in inventory for the year ended

December 31, 2011 (without giving effect to the reclassification of our Italian operations), compared to a positive impact of a €6.2 million change in inventory for the year ended December 31, 2010.

Personnel costs

Personnel costs decreased by €4.5 million, or 2.0%, from €223.7 million for the year ended December 31, 2010, to €219.2 million for the year ended December 31, 2011. Personnel costs as a percentage of revenue decreased from 20.5% for the year ended December 31, 2010, to 20.2% for the year ended December 31, 2011. This decrease was primarily due to a €4.8 million decrease in wages, driven by a decrease in headcount in our central purchasing department, headquarters and distribution subsidiaries, in connection with our PIP. Our total workforce decreased by 133 employees, from 6,339 employees as of December 31, 2010, to 6,206 employees as of December 31, 2011.

Other purchases and external expenses

Other purchases and external expenses decreased by €2.2 million, or 1.8%, from €122.9 million for the year ended December 31, 2010, to €120.7 million for the year ended December 31, 2011. Other purchases and external expenses as a percentage of revenue decreased from 11.3% for the year ended December 31, 2010, to 11.1% for the year ended December 31, 2011. This decrease was primarily due to a €1.0 million decrease in IT expenses driven by the renegotiation of an IT maintenance contract, a €0.8 million decrease in advertising costs due to increased contributions by suppliers to joint marketing efforts, and a €0.7 million decrease in other expenses. This decrease was partly offset by a €1.8 million increase in shipping expenses due to increased fuel prices.

Taxes

Taxes decreased by €1.8 million, or 21.4%, from €8.4 million for the year ended December 31, 2010, to €6.6 million for the year ended December 31, 2011. In 2011, taxes mainly comprised French vocational training tax of €1.2 million (compared to €1.4 million in 2010), social construction tax of €1.8 million (compared to €2.1 million in 2010), social solidarity contribution of €1.6 million (compared to €1.5 million in 2010) and taxes other than income taxes of €1.9 million (compared to €3.4 million in 2010). This decrease was primarily due to tax deductions granted in the year ended December 31, 2011 as a result of a rectification in tax calculation.

Depreciation/amortization expense

Depreciation/amortization expense decreased by €1.6 million, or 8.6%, from €18.6 million for the year ended December 31, 2010, to €17.0 million for the year ended December 31, 2011. This decrease was primarily due to a €1.3 million reduction in the depreciation of our property for the year ended December 31, 2011.

Other income from operations

Other income from operations increased by €102.4 million, from €23.1 million for the year ended December 31, 2010, to €125.5 million for the year ended December 31, 2011. This increase was primarily due to the reversal of €117.9 million reserve in respect of the "Autodistribution" brand for the year ended December 31, 2011, following a valuation performed by an independent third-party. The impairment of the "Autodistribution" brand was previously recorded in 2008 for an amount of €150.4 million, based on a downward trend in the business at that time.

Other expenses from operations

Other expenses from operations decreased by €10.1 million, or 34.8%, from €29.0 million for the year ended December 31, 2010, to €18.9 million for the year ended December 31, 2011. This decrease was primarily due to the annual impairment test performed on our Polish operations, which resulted in a goodwill impairment loss of €0.5 million for the year ended December 31, 2011, compared to €12.8 million for the year ended December 31, 2010.

Financial income and expenses

Financial expenses increased by €2.8 million, or 23.0%, from €12.2 million for the year ended December 31, 2010, to €15.0 million for the year ended December 31, 2011. This increase was primarily due to a €1.1 million increase in financial expenses on finance leases and a negative net foreign exchange variance of €1.3 million for the year ended December 31, 2011, compared to a positive net foreign exchange variance of €0.3 million for the year ended December 31, 2010, in each case are attributable to fluctuations in the Polish złoty exchange rate on our borrowings denominated in Polish złoty.

Income tax

Income tax decreased by €16.1 million, from a €2.0 million expense for the year ended December 31, 2010, to a €14.1 million credit for the year ended December 31, 2011. In 2011, income tax included CVAE of €4.6 million (compared to €3.5 million in 2010), current income tax expense of €0.7 million (compared to €0.1 million in 2010) and deferred tax income of €19.4 million (compared to a deferred tax income of €1.6 million in 2010). This €17.8 million increase in deferred tax income was mainly due to higher recognition of tax loss carryforwards for the year ended December 31, 2011.

Liquidity and capital resources

Liquidity describes the ability of a company to generate sufficient cash flows to meet the cash requirements of its business, including working capital needs, debt service obligations, capital expenditures, operating losses, acquisitions, and contractual obligations and commitments. Our principal sources of liquidity have been our existing cash and cash equivalents, cash generated from operations, factoring facilities, bank overdraft facilities and finance leases.

We expect that our principal sources of liquidity will be our existing cash and cash equivalents, cash generated from operations, any borrowings under our working capital and bank overdraft facilities, including our new €20.0 million Revolving Credit Facility, that will be available for drawing following completion of this Offering, factoring facilities and finance leases.

Our financial condition and liquidity has been, and is expected to continue to be, influenced by a variety of factors, including:

- our ability to generate cash flows from our operations;
- the level of our outstanding indebtedness, and the interest we are obligated to pay on such indebtedness, which affects our finance costs;
- prevailing interest rates, which affect our debt service requirements;
- our ability to continue to borrow funds from banks;
- our level of acquisition activity; and
- our capital expenditure requirements.

Our cash requirements are expected to consist mainly of the following:

- paying operating costs and working capital;
- funding capital expenditures;
- servicing indebtedness; and
- paying taxes.

Historical cash flows

The following table sets forth our historical cash flow items for the periods indicated.

	Year ended December 31,			Ten months ended October 31,	
(€ in millions)	**2010**	**2011**	**2012**	**2012**	**2013**
Net income	**(11.2)**	**128.1**	**6.0**	**9.8**	**32.8**
Net income/(loss) from discontinued operations	—	—	3.9	3.5	—
Adjustments for non-cash income and expenses	23.8	(90.4)	17.9	16.9	(0.3)
Financial expenses and income with a cash effect	7.2	9.6	3.1	2.1	3.4
Income tax	2.0	(14.1)	7.8	6.8	5.4
Inventories decrease/(increase)	—	(1.5)	2.4	(6.1)	(9.8)
Trade receivables decrease/(increase)	(2.2)	(1.2)	21.1	(6.3)	(31.4)
Trade payables increase/(decrease)	2.5	(0.9)	(15.2)	8.0	21.5
Other receivables and payables	(2.4)	5.0	(1.6)	(13.5)	(14.4)
Change in working capital	**(2.1)**	**1.4**	**6.7**	**(17.9)**	**(34.1)**
Other items with a cash effect	(4.0)	(4.1)	(6.4)	(4.3)	(4.7)
Net cash flow from operating activities	**15.6**	**30.4**	**39.0**	**16.9**	**2.5**
Acquisition of fixed assets	(14.1)	(15.9)	(15.9)	(11.5)	(13.4)
Changes in other financial assets	0.5	—	(1.1)	(1.3)	(0.7)
Disposal of fixed assets	3.6	1.5	0.7	0.2	2.1
Advances paid	—	—	(3.8)	(0.5)	(0.1)
Business acquisitions	(2.2)	(2.7)	(13.8)	(13.0)	(6.7)
Net cash flow used in investing activities	**(12.2)**	**(17.1)**	**(33.9)**	**(26.1)**	**(18.8)**
Dividends paid to the owners of the parent company	—	—	—	—	—
Dividends paid to non-controlling interests of consolidated companies	(0.1)	(0.3)	(0.3)	(0.3)	(0.2)
Dividends received from associates	—	—	—	—	—
Capital increase in cash	—	—	—	—	—
Financial expenses with a cash effect	(8.1)	(10.8)	(4.7)	(3.5)	(3.8)
Financial income with a cash effect	0.9	1.2	1.6	1.4	0.4
Increase in borrowings	0.1	1.2	6.6	10.3	3.6
Repayment of borrowings	(4.7)	(20.1)	(16.8)	(15.7)	(22.3)
Change in other financial liabilities	(6.7)	2.3	(0.2)	(0.1)	0.0
Net cash flow used in financing activities	**(18.6)**	**(26.5)**	**(13.8)**	**(7.9)**	**(22.3)**
Total cash flows used by continuing operations	**(15.3)**	**(13.3)**	**(8.7)**	**(17.1)**	**(38.6)**
Change in cash and cash equivalents:					
Opening cash and cash equivalents	90.9	75.6	63.5	63.5	50.1
Net cash flow from continuing operations	(15.3)	(13.3)	(8.7)	(17.1)	(38.6)
Net cash flow from discontinued operations	—	—	(3.5)	(3.3)	—
Impact of currency rate fluctuations	—	1.2	(0.8)	(0.7)	0.2
Closing cash and cash equivalents from discontinued operations	—	—	(0.4)	(0.5)	—
Total closing cash and cash equivalents	**75.6**	**63.5**	**50.1**	**41.9**	**11.7**

Cash flows from operating activities

Net cash from operating activities is mainly impacted by changes in working capital and other items with a cash effect, in addition to changes in net income and cancellations of unrealized income and expenses, the elimination of financial expenses and income with a cash effect, and the elimination of income tax.

The monthly variations of the net cash flows from operating activities are largely impacted by the seasonality of our business. In particular, our working capital is typically high (resulting from higher inventories and receivables) as of October 31 each year, which explains the much lower level of net cash flow from operating activities at October 31 compared to December 31. In addition, some one-off items impacted the net cash flow from operating activities for the ten months ended October 31, 2013 compared to the ten months ended October 31, 2012.

Net cash from operating activities amounted to €2.5 million (or 0.3% of revenue) for the ten months ended October 31, 2013, primarily due to the positive impact of net income after adjustments for non-cash income and expenses, partly offset by an unfavorable change in working capital due to an increase in inventory because of seasonality effects and the implementation of the recent upgrade of the warehouse IT management system of our logistics platform for light vehicles, and a higher net receivables and payables position.

Net cash from operating activities amounted to €16.9 million (or 1.9% of revenue) for the ten months ended October 31, 2012, primarily due to the positive impact of net income after adjustments for non-cash income and expenses (mainly depreciation of €12.4 million) offset by an increase in working capital, mainly other receivables and payables due to seasonality effects.

Net cash from operating activities amounted to €39.0 million (or 3.6% of revenue) for the year ended December 31, 2012, primarily due to a positive impact of net income after adjustments for non-cash income and expenses (mainly depreciation of €15.1 million) and a decrease in working capital, due to lower receivables because of the decrease in activity at the end of 2012.

Net cash from operating activities amounted to €30.4 million (or 2.8% of revenue) for the year ended December 31, 2011, primarily due to a positive impact of net income after adjustments for non-cash income and expenses (mainly the reversal of a €117.9 million impairment in respect of the "Autodistribution" brand offset by a depreciation of €17.1 million, provision for closing the building of one of our logistics platforms for €6.0 million and impairment of €3.9 million on our Polish goodwill and tangible assets).

Net cash from operating activities amounted to €15.6 million (or 1.4% of revenue) for the year ended December 31, 2010, primarily due to a positive impact of net income after adjustments for non-cash income and expenses (mainly depreciation of €18.6 million) which is partly offset by the slightly unfavorable change in working capital.

Working capital

Working capital comprises trade working capital and other receivables and payables. Our trade working capital is comprised of inventories, trade payables and trade receivables. Other receivables and payables are primarily comprised of tax and employee benefit payables.

Our inventory levels are affected by the seasonality of our activity, our product range strategy and our ability to manage our stocks locally. The change in trade payables and receivables is mainly linked to the seasonality of our business. The level of receivables may also be impacted by our ability to recover payments from our customers.

Our working capital requirements are affected by the seasonality of our business. Our typical working capital cycle is primarily driven by the build-up of inventory during the first semester, with our working capital reaching its peak in July and October, and a decrease of our inventory in the second semester, with our working capital reaching its trough in November.

We generated an increase in working capital of €34.1 million for the ten months ended October 31, 2013, primarily due to an increase in trade receivables of €31.4 million, and an increase in other receivables and payables of €14.4 million for the ten months ended October 31, 2013, partly offset by an increase in trade payables of €21.5 million. These variations were mainly due to the seasonal peak of our working capital cycle which occurs in October, an increase in revenue and to a lesser extent to certain one-off items such as extended payment terms agreed with several customers and an overdue payment from one customer. Moreover, the increase in inventories of €9.8 million is primarily due to voluntarily high inventory levels, to anticipate possible delivery delays due to the implementation of our new warehouse IT management system at the end of 2013 and the seasonal peak in October.

We generated an increase in working capital of €17.9 million for the ten months ended October 31, 2012, primarily due to an increase in trade receivables of €6.3 million, an increase in inventories of €6.1 million, and the negative impact of the increase in other receivables and payables, which were partly offset by an increase of trade payables of €8.0 million. These variations were mainly due to a seasonal impact in October, partly offset by the weaker activity at the end of the ten months ended October 31, 2012, due to the market downturn.

We experienced a decrease in working capital of €6.7 million for the year ended December 31, 2012, which primarily reflected a decrease in trade receivables of €21.1 million, partly offset by a decrease in trade payables of €15.2 million, due to a decrease in trading activity. Moreover, the decrease in inventories of €2.4 million is primarily due to improvements in inventory management and the weaker market conditions in 2012.

We experienced a decrease in working capital of €1.4 million for the year ended December 31, 2011, which primarily reflected a positive impact of €5.0 million of other receivables and payables, mostly related to an increase in tax liabilities (mainly VAT and social security liabilities) and higher personnel expenses due to an increase in bonuses paid to our employees in 2011.

We generated an increase in working capital of €2.1 million for the year ended December 31, 2010, which primarily reflected an increase in trade receivables of €2.2 million and an increase in trade payables of €2.5 million, in line with revenue growth in the year ended December 31, 2010.

Other items

Other items with a cash effect related solely to income tax paid of €4.7 million for the ten months ended October 31 2013, mostly as a result of the CVAE of €4.4 million. Other items with a cash effect related solely to the income tax paid of €4.3 million for the ten months ended October 31 2012, mostly as a result of the CVAE of €3.8 million. Other items with a cash effect related solely to the income tax paid of €6.4 million for the year ended December 31 2012, mostly as a result of the CVAE of €4.7 million and an over-estimate of income tax prepayments. Other items with a cash effect related solely to the income tax paid of €4.1 million for the year ended December 31 2011, mostly as a result of the CVAE of €4.6 million. Other items with a cash effect related solely to the income tax paid of €4.0 million for the year ended December 31 2010, mostly as a result of the CVAE of €3.5 million.

Cash flow from (used in) investing activities

The following table sets out the components of our net cash flows from investing activities for the periods indicated.

	Year ended December 31,			**Ten months ended October 31,**	
(€ in millions)	**2010**	**2011**	**2012**	**2012**	**2013**
Acquisitions of fixed assets	(14.1)	(15.9)	(15.9)	(11.5)	(13.4)
Changes in other financial assets	0.5	—	(1.1)	(1.3)	(0.7)
Disposal of fixed assets	3.6	1.5	0.7	0.2	2.1
Advances paid	—	—	(3.8)	(0.5)	(0.1)
Business acquisitions	(2.2)	(2.7)	(13.8)	(13.0)	(6.7)
Net cash used in investing activities — continuing operations	**(12.2)**	**(17.1)**	**(33.9)**	**(26.1)**	**(18.8)**

Capital expenditures

Capital expenditures consist solely of the acquisition of fixed assets. Our capital expenditures include the further expansion of our operations and the maintenance of our existing operations. In particular, our capital expenditure on tangible assets mainly relates to purchases of shelving and machinery for the transport and storage of products in our warehouses, as well as purchases of light vehicles and trucks. Our capital expenditure on intangible assets mainly relates to the capitalization of new functional development costs of our enterprise resource platform ("ERP"), the purchase of software licenses relating to management and financial reporting, technical light vehicle and truck databases and inventory management.

We have a "capex light" business model, and consequently are not required to make significant capital investments in our business. Our capital expenditures were on average, 1.4% of our revenue and 39.7% of our Adjusted EBITDA in the years ended December 31, 2010, 2011 and 2012.

We expect our investment in capital expenditures for the years ended December 31, 2013 and 2014 to be in line with that of prior years, and we do not anticipate making any extraordinary capital expenditure investments in the years ended December 31, 2013 and 2014.

Capital expenditures increased by €1.9 million, to €13.4 million (or 1.4% of revenue) for the ten months ended October 31, 2013, from €11.5 million (or 1.3% of revenue) for the ten months ended October 31, 2012. This increase was primarily due to the renovation of several distributions sites and the new AD logo deployment.

Capital expenditures were €11.5 million (or 1.3% of revenue) for the ten months ended October 31, 2012, and was primarily due to IT investment, particularly expenditures associated with our development costs of the ERP, our data center and with the Autossimo website.

Capital expenditures remained stable at €15.9 million (or 1.5% of revenue) for the year ended December 31, 2012, primarily due to increased investments in IT, particularly expenditures associated with development costs of the ERP, our data center and the Autossimo website, which were partly offset by lower expenditures relating to the expansion of our operations.

Capital expenditures increased by €1.8 million, to €15.9 million (or 1.5% of revenue) for the year ended December 31, 2011, from €14.1 million (or 1.3% of revenue) for the year ended December 31, 2010. This increase was mainly due to increased investments in IT, particularly IT infrastructure, and higher expenditures related to the expansion of our operations, primarily relating to the opening of two new distribution sites.

Business acquisitions and advances paid

Business acquisitions and advances paid mainly relate to external acquisitions, and advances paid in relation to those acquisitions. The amount of the acquisition is presented net of cash (or overdraft) held by such acquired entity.

Business acquisitions and advances paid decreased by €6.7 million, to €6.8 million (or 0.7% of revenue) for the ten months ended October 31, 2013, from €13.5 million (or 1.5% of revenue) for the ten months ended October 31, 2012. These business acquisitions mainly include the negative cash position of FPLS paid in December 2012 but consolidated as from January 1, 2013, the acquisition of the Rectification Du Pas-De-Calais group and the acquisition of Comptoir Auto Marine Industrie.

Business acquisitions and advances paid amounted to €13.5 million (or 1.5% of revenue) for the ten months ended October 31, 2012. These business acquisitions mainly include the acquisition of the outstanding 80% of the share capital of Enssemble and the acquisitions of Station Technique Auto and Station Technique Auto Carrosserie.

Business acquisitions and advances paid increased by €14.9 million, to €17.6 million (or 1.6% of revenue) for the year ended December 31, 2012, from €2.7 million (or 0.2% of revenue) for the year ended December 31, 2011. These business acquisitions and advances paid primarily include the acquisition of the outstanding 80% of the share capital of Enssemble and the acquisition of Station technique Auto and Station Technique Auto Carrosserie. For the year ended December 31, 2012, advances paid amounted to €3.8 million, primarily due to the advance paid for the acquisition of FPLS (which was consolidated beginning on January 1, 2013).

Business acquisitions and advances paid increased by €0.5 million, to €2.7 million (or 0.2% of revenue) for the year ended December 31, 2011, from €2.2 million (or 0.2% of revenue) for the year ended December 31, 2010. These business acquisitions mainly included the acquisitions of Société d'Investissement Automobile APS Saillard and Comptoir Vitryat and the acquisitions of Truck Car Services and TC26.

Business acquisitions and advances paid amounted to €2.2 million (or 0.2% of revenue) for the year ended December 31, 2010. These business acquisitions mainly included the acquisition of Arnaudiès and the acquisition of Neoparts.

Cash flow from (used in) financing activities

The following table sets forth the components of our net cash flows from financing activities for the periods indicated:

	Year ended December 31,			Ten months ended October 31,	
(€ in millions)	**2010**	**2011**	**2012**	**2012**	**2013**
Dividends paid to non-controlling interests of consolidated companies	(0.1)	(0.3)	(0.3)	(0.3)	(0.2)
Financial expenses with a cash effect	(8.1)	(10.8)	(4.7)	(3.5)	(3.8)
Financial income with a cash effect	0.9	1.2	1.6	1.4	0.4
Increase in borrowings	0.1	1.2	6.6	10.3	3.6
Repayment of borrowings	(4.7)	(20.1)	(16.8)	(15.7)	(22.3)
Change in other financial liabilities	(6.7)	2.3	(0.2)	(0.1)	0.0
Net cash used in financing activities — continuing operations	**(18.6)**	**(26.5)**	**(13.8)**	**(7.9)**	**(22.3)**

Net cash used in financing activities amounted to €22.3 million (or 2.3% of revenue) for the ten months ended October 31, 2013. Our financing activities consisted mainly of €3.4 million of net financial income and expense, primarily due to €2.3 million in interest paid on our Existing Senior Facilities; a €3.6 million increase in borrowings, due to the drawing on the factoring credit line with Eurofactor; a €22.3 million repayment of borrowings primarily composed of the voluntary early repayments of €10.0 million on the Senior Equity Loan and €5.0 million of the Existing Senior Facilities; the mandatory repayment of €2.8 million on the Existing Senior Facilities; €3.8 million of the repayment of excess cash flow, in relation to our Existing Senior Facilities; and €0.7 million of amortization of local facilities of some of our French subsidiaries.

Net cash used in financing activities amounted to €7.9 million (or 0.9% of revenue) for the ten months ended October 31, 2012. Our financing activities consisted mainly of €2.1 million of net financial income and expense, mainly due to €2.7 million in interest paid on our Existing Senior Facilities; a €10.3 million increase in borrowings due to drawing on our factoring credit line with Eurofactor, a €15.7 million repayment of borrowings primarily composed of early repayments of €10.0 million on our Senior Equity Loan, €5.0 million on our Existing Senior Facilities, €0.4 million of sale-and-leaseback repayments; and €0.3 million of amortization of local facilities of some of our French subsidiaries.

Net cash used in financing activities amounted to €13.8 million (or 1.3% of revenue) for the year ended December 31, 2012. Our financing activities consisted mainly of €3.1 million of net financial income and expense, mainly due to €3.5 million in interest paid on our Existing Senior Facilities; a €6.6 million increase in borrowings relating to the €6.6 million drawing on our factoring credit line with Eurofactor; a €16.8 million repayment of borrowings primarily composed of early repayments of €10.0 million on our Senior Equity Loan and €5.0 million on our Existing Senior facilities, €1.3 million final payment to Econocom to settle our IT finance lease contract renegotiated in 2011 and €0.4 million of amortization of local facilities of some of our French subsidiaries.

Net cash used in financing activities amounted to €26.5 million (or 2.4% of revenue) for the year ended December 31, 2011. Our financing activities consisted mainly of €9.6 million of net financial income and expense, mainly due to €6.5 million in interest paid on our interest-bearing debt (including €2.3 million of non-cash accrued interest expenses which are eliminated in the line item "other financing liabilities"); a €1.5 million of charges paid on our finance lease with Econocom; a €1.2 million increase in borrowings, mainly due to our IT finance lease with Econocom; the repayment of €20.1 million of borrowings mainly due to repayment of €10.0 million on our Senior Equity Loan; €5.0 million on the Existing Senior Facilities; €4.6 million on an anticipated reimbursement of our finance lease to exit a contract with Econocom and the renegotiation of a new IT finance lease; and sale-and-leaseback repayments.

Net cash used in financing activities amounted to €18.6 million (or 1.7% of revenue) for the year ended December 31, 2010. Our financing activities consisted of €7.2 million of net financial income and expense, mainly due to €5.3 million in interest paid on our interest-bearing debt (including €2.6 million of non-cash accrued interest expenses which are eliminated in the line item "other financing liabilities"); the repayment of €4.7 million of our borrowings composed of the repayment of €3.4 million on our finance lease and €1.3 million on debt held by our subsidiaries; and an outflow of €6.7 million in change in other financing liabilities, mainly due to the repayment of a factoring facility drawn in 2009.

Credit arrangements following this Offering

Revolving Credit Facility

In connection with this Offering, we expect to enter into the Revolving Credit Facility with the guarantors named therein as original guarantors or borrowers, the financial institutions named therein as original lenders and J.P. Morgan Europe Limited as agent and U.S. Bank Trustees Limited as security agent. Our Revolving Credit Facility will provide for borrowings up to an aggregate of €20 million on a committed basis. Subject to certain exceptions, loans may be borrowed, repaid and reborrowed at any time. The interest rate on cash advances under the Revolving Credit Facility is the aggregate of the applicable margin and LIBOR/EURIBOR (as defined in the credit agreement). The margin may range from 3.00% to 3.50% based on an EBITDA ratchet. The Revolving Credit Facility will mature in 2018. See "*Description of certain financing arrangements—Revolving Credit Facility Agreement*."

Notes offered hereby

Following this Offering, we expect to have €240.0 million in aggregate principal amount of Notes outstanding. We will pay interest on the Notes semi-annually in cash at an annual interest rate and on the dates set forth on the cover of this Offering Memorandum. Interest will accrue from the Issue Date.

The Indenture will contain covenants that, among other things, limit our ability and the ability of our restricted subsidiaries to: incur additional indebtedness; pay dividends on or make distributions in respect of capital stock or make certain other restricted payments or investments; enter into agreements that restrict distributions from restricted subsidiaries; sell or otherwise dispose of assets, including capital stock of restricted subsidiaries; enter into transactions with affiliates; create or incur liens; and merge, consolidate or sell substantially all of our assets. These covenants will be subject to important exceptions and qualifications. See "*Description of the Senior Secured Notes—Certain covenants*."

Contingent Value Instruments

The Parent Guarantor issued 25,500,000 subordinated Contingent Value Instruments in 2009. The Contingent Value Instruments will expire on April 21, 2017. See "*Description of certain financing arrangements—Contingent Value Instruments*."

Factoring arrangements and working capital and bilateral lending facilities

Autodistribution and several other of our subsidiaries have entered into various factoring arrangements and working capital and bilateral lending facilities with an aggregate principal amount of €23.2 million outstanding as of October 31, 2013. These factoring arrangements and the working capital and bilateral lending facilities will remain in place after the Issue Date. See "*Description of certain financing arrangements*."

Contractual obligations

We enter into long-term contractual obligations and commitments in the normal course of business, primarily debt obligations and non-cancellable operating leases. As of October 31, 2013, our contractual cash obligations and commercial commitments as set forth below are on an as adjusted basis giving effect to this Offering and the application of the proceeds therefrom as set forth in "*Use of proceeds*."

(€ in millions)	Less than one year	1–5 years	More than 5 years	Total
Notes offered hereby[(1)]	—	—	240	240
Operating leases[(2)]	35.0	84.5	7.7	127.2
Finance leases	0.2	0.0	—	0.2
Other borrowings and accrued interest	4.8	1.2	—	6.0
Total[(3)]	**40.0**	**85.7**	**247.7**	**373.4**

(1) Represents €240.0 million aggregate principal amount of the Notes as of the Issue Date, but does not include any interest payments required in respect of the Notes. Assumes the completion of the Contemplated ACR Acquisition. Does not include any borrowings under our Revolving Credit Facility. The maximum amount available under the Revolving Credit Facility would have been €20.0 million as of October 31, 2013 assuming the completion of this Offering on such date. The Revolving Credit Facility will mature in 2018.

(2) The minimum future rents payable under the non-cancellable operating leases are stated as of December 31, 2012.

(3) Does not include any contractual obligations related to the Contemplated ACR Acquisition.

The foregoing table does not include bank overdrafts, liabilities associated with pension entitlements and the Contingent Value Instruments. As of October 31, 2013, we had a €16.9 million provision for post-employment defined benefit plan liabilities.

Quantitative and qualitative disclosure about financial risk

In the ordinary course of our business, we are exposed to a variety of financial risks. We monitor and manage these risks as an integral part of our overall risk management program, which recognizes the unpredictability of financial markets and seeks to reduce their potential adverse effects on our results of operations.

Counterparty risk

Counterparty risk represents the risk of incurring a financial loss as a result of a breach of a payment obligation by third parties. We have adopted credit management procedures adjusted to the characteristics of the market and of our customers in order to reduce the risk of exposure and to attempt to allow prompt and proactive management of our business. The proactive customer credit risk monitoring activities start by grouping consumers based on their type, the credit duration, the existence of previous financial difficulties or notifications and of the possible existence of legal or ongoing bankruptcy procedures. Financial assets are recorded in the financial statements net of the write-off based on the risk of breach by the counterparty, which is determined based on the available information regarding the customer's solvency.

Liquidity risk

Liquidity risk, or funding risk, represents the risk that we may encounter difficulty procuring the funds necessary to honor our commitments from operations in an economic manner and in due time. The cash flows, funding needs and liquidity of the Group are monitored and managed centrally under the control of the finance department, which has the objective of guaranteeing the effective and efficient management of financial resources. We believe that the funds and the credit facilities currently available, including our new €20 million committed Revolving Credit Facility will, in addition to the liquidity that will be generated by operations and financing activities in the ordinary course of business, allow us to meet our needs with respect to investment activities, managing working capital and repaying debt on its scheduled maturity dates.

Exchange rate risk

The euro is the functional currency in which our financial statements are presented. Our subsidiary in Poland generates currency in Polish złoty, and for the twelve months ended October 31, 2013 Polish złoty represented 9.9% of our revenue. We do not hedge this exchange rate risk.

Interest rate risk

We are exposed to interest rate risks due to our need to finance our operations as well as to utilize our available liquidity. Fluctuations in market interest rates may have a negative or a positive impact on our financial results by indirectly influencing the repayment of loans and investments. Following the Transactions, our indebtedness and other debt arrangements will be primarily comprised of the Notes (which will have a fixed interest rate) and the Revolving Credit Facility (which borrowings will have an interest rate based on EURIBOR or LIBOR).

We evaluate our exposure to changes in interest rates on a regular basis and may decide to manage the foregoing risks through financial derivatives, according to the directives contained in the "Interest rate risk management policy" we have adopted. Notwithstanding our potential use of hedging instruments, unexpected changes in interest rates could have a material adverse effect on our business, results of operations and financial condition.

Off-balance sheet arrangements

We are not party to any material off-balance sheet arrangements. For a description of certain commitments and guarantees that we have given to third parties in connection with our financing arrangements and other ordinary course rental and other obligations, see note 20 to our audited consolidated financial statements for the year ended December 31, 2012.

Other financial obligations: Pension obligations

For a description of certain pension plans and obligations, see note 22 to our audited consolidated financial statements for the year ended December 31, 2012 and note 21 to our unaudited interim consolidated financial statements for the ten months ended October 31, 2013.

Critical accounting policies

Our financial statements have been prepared in accordance with IFRS as adopted by the European Union. The preparation of these financial statements requires us to make various estimates and assumptions that affect the results we report. Such estimates or assumptions are based on our historical experience and currently available information, including expectations of future events that we believe are reasonable under the circumstances. Actual results may differ significantly from such estimates in light of the uncertainty surrounding the assumptions and conditions upon which the estimates are based. The following are significant accounting policies determined on the basis of such estimates and assumptions for which changes during a financial period could involve a significant risk of material change in the carrying amount of assets and liabilities.

Impairment of non-financial assets

At the end of each reporting period, we assess whether there is any indication that a non-financial asset might be impaired. The impairment tests are based on the four-year EBITDA plan for each Cash-Generating Unit ("CGU") as defined by us. For purposes of impairment testing, goodwill is allocated to the CGU or group of CGUs most likely to benefit from the synergies of the business combination and to the lowest level at which goodwill is monitored by us. The CGUs correspond to subsidiaries or groups of subsidiaries that are included in the same operating segment and that generate cash flows largely independent from those generated by other CGUs. The assumptions used then undergo a sensitivity test to assess the variability of the result following the changes of all assumptions. Each year and whenever there is an indication of impairment, we carry out impairment tests. A valuation of the AD brand is also performed separately, bearing in mind that the impairment of the brand is reversible if events occur that show that indicators that led to a loss being recorded no longer exist.

Deferred tax assets

Deferred tax assets are recorded in respect of tax loss carryforwards when it is likely that we will have future taxable profits against which said unused tax losses can be charged. The calculation of the amount of deferred tax assets that can be recognized requires management to estimate how long it will take to use up the losses carried over and the level of future taxable profits, with regard to tax management strategies.

Pensions and other post-employment benefits

The cost of defined benefit plans is calculated on the basis of actuarial valuations. These valuations rely on assumptions regarding discount rates, the projected yield from plan assets, the rate of salary increases and the mortality rate. Owing to the long-term nature of such plans, there is great uncertainty about these estimates.

Inventory impairment

Inventory impairment is calculated by applying an impairment rate for each category of unsold products in accordance with the depletion of items and their last date of sale.

Industry

This discussion contains market and competitive position data from industry publications and from surveys or studies conducted by third-party sources.

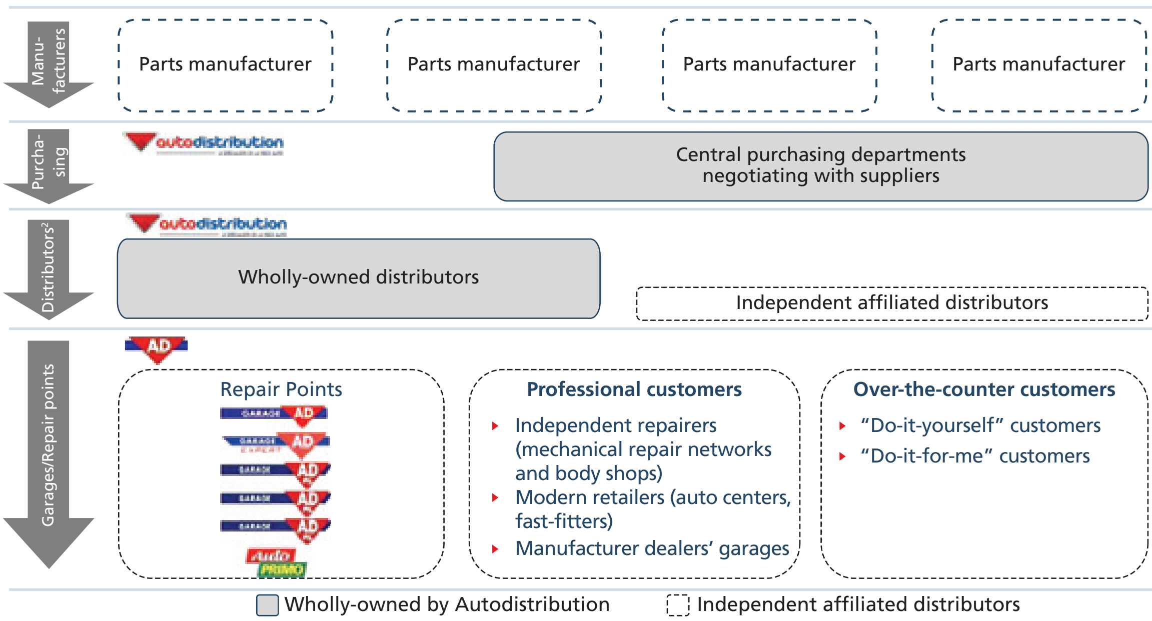
We are the leading distributor of aftermarket spare parts for light vehicles and trucks in the independent aftermarket segment ("IAM") in France, where we generated 90% of our revenue for the twelve months ended October 31, 2013. We also hold a strong regional position in the Polish light vehicle IAM, where we generated 10% of our revenue over the same period. With over 50 years of experience in the market, we believe that as of December 31, 2012, we held a market share of approximately 22% in terms of revenue in the fragmented French light vehicle IAM. The IAM is the independent aftermarket for spare parts used in the maintenance and repair of light vehicles and trucks. These spare parts include mechanical parts, electrical parts and electronic components, body parts (including headlights), assembly parts, tires, oils and lubricants, car paint, other chemical products and accessories. The light vehicle aftermarket is relatively complex compared to other industries, due to the large number of market participants with varying business models.

In general, the light vehicle aftermarket can be divided into the following two segments:

- *Original equipment suppliers aftermarket segment ("OES")*, which is operated through a distribution network directly connected to car manufacturers and generally consists of authorized garages managed by car dealers; and
- *The IAM*, which is operated by independent distributors and garages, which are not connected to car manufacturers and typically service all of the vehicles operating on the road without making a distinction between brands.

Original equipment suppliers and IAM suppliers sell their products to wholesalers and distributors which often operate on a national level. Regional and local wholesalers frequently buy these products from national wholesalers and distributors for further sale to garages, body shops, fast-fitters and car centers.

The following chart provides an overview of the interaction of the key participants in the IAM in France, from the manufacturer level to the garage and repair point level, and we have illustrated our own position within the purchasing and distribution segments below as an example.



The following are the key participants in the IAM in France:

- *Purchasing group:* A department making purchases on behalf of a larger group of distributors. Consolidated purchases made through a purchasing group increase bargaining power with suppliers and enable greater discounts on purchased parts.

- *Distributors.* In the French OES, distribution is generally carried out by authorized resellers of the manufacturers that supply authorized dealers. In the IAM, distribution is carried out by independent distributors that supply products, depending on the specifics of the geographic area in which they operate, to wholesalers (which, in turn, supply garages, body shops, fast-fitters and car centers) or directly to garages, body shops, fast-fitters and car centers, depending on the specifics of the geographic area in which they operate.
- *Garages (including body shops).* Garages are either authorized by a car manufacturer or manufacturers, or operate independently and do not maintain any relationship with a particular manufacturer. Authorized garages generally specialize in the OES and, in general, solely offer products and services relating to the vehicles produced by the manufacturer to which they are connected. Consequently, authorized garages only provide services in relation to a limited range of vehicles. By contrast, independent garages that operate in the IAM generally offer services and repairs on all vehicles, without distinguishing between vehicle manufacturers and models.

There are often exceptions to the supply chain described above, largely due to the expectations of end-customers that garages, body shops, fast-fitters and car centers obtain light vehicle spare parts in a timely manner. For example, larger garage networks or specialist repair center chains often source particular light vehicle spare parts from an external wholesaler. In some cases, authorized dealerships may source spare parts externally.

Differentiating factors between the IAM and the OES

Key factors considered by end-customers when deciding to use the services provided by the IAM, rather than the OES, include:

- the wide range of products offered by IAM operators and the segment's competitive pricing; and
- the timely execution of maintenance and repair services, which generally favors IAM operators due to the efficiency of the IAM distribution network and the capacity of independent garages to quickly obtain spare parts that they may not have in stock.

Development of the aftermarket for spare parts for light vehicles in France

We participate in the aftermarket value chain as a business-to-business distributor of spare parts for light vehicles and trucks, generating approximately 90% of our revenue in France. As of December 31, 2012, WOLK valued the French light vehicle aftermarket at €12,401 million, of which the IAM contributes approximately 56%, or €6,945 million, and the OES contributes 44%, or €5,457 million.

The table below shows the historical development (as estimated by WOLK) of the French light vehicle aftermarket from 2003 to 2011:

	2003	2004	2005	2006	2007	2008	2009	2010	2011
	(In thousands)								
Aftermarket value	11,232	11,403	11,491	11,243	11,660	11,836	11,806	11,917	12,304
Change year-to-year	—	1.5%	0.8%	(2.2%)	3.7%	1.5%	(0.3%)	0.9%	3.2%
Breakdown by segment:									
IAM	57%	57%	57%	56%	55%	55%	56%	56%	56%
OES	43%	43%	43%	44%	45%	45%	44%	44%	44%
Growth by segment:									
IAM	—	1.5%	0.8%	(3.9%)	1.9%	1.5%	1.6%	0.9%	3.2%
OES	—	1.5%	0.8%	0.1%	6.1%	1.5%	(2.5%)	0.9%	3.2%

The aftermarket for spare parts for light vehicles in France is characterized by stable growth and has historically been resistant to downturns, including the recent economic downturn.

Between 2003 and 2011, the aftermarket for spare parts for light vehicles increased at a CAGR of 1.1%. During the same period, the IAM increased by 0.9% while the OES increased by 1.4%. WOLK expects that the French IAM will remain stable between 2011 and 2015.

Key factors influencing growth of the aftermarket for spare parts for light vehicles and trucks in France

The IAM may, in the near future, remain stable or experience low levels of growth due to a combination of factors, including increased demand as a result of the age, mileage and composition of vehicles on the road, technological developments, and the range of services rendered and products offered by the IAM compared to the OES.

Number of vehicles on the road

The total number of vehicles on the road is a key factor affecting the development of the spare parts aftermarket. As of December 31, 2012, there were approximately 30.6 million light vehicles on the road in France. Growth in the number of vehicles on the road is measured by the number of new registrations over a certain period, minus the number of vehicles retired during that period. The number of new registrations is influenced by a variety of factors, including the purchasing power of the overall population, the density level of light vehicles on the road and the availability of government incentives to purchase new vehicles. The number of light vehicles on the road has remained stable in recent years and, according to L.E.K., is expected to continue to remain stable in the near future.

Age of light vehicles on the road

L.E.K divides light vehicles on the road into four categories of age: (i) zero to four years; (ii) five to nine years; (iii) ten to fourteen years; and (iv) more than fifteen years. As of December 31, 2012, the average age of light vehicles on the road in France was 8.3 years. In addition, the number of light vehicles on the road aged five years or more has been increasing at a CAGR of 0.4% since 2004, equating to 65.3% of the vehicles on the road in 2012.

We believe that consumer preferences for services and repairs vary depending on the age of the vehicle in question. Despite the fact that the quality of service and the validity or duration of a vehicle warranty is generally not compromised when using services and parts sourced from independent garages, consumers who own vehicles that are four years old or less typically use authorized garages operating in the OES to perform related maintenance and repair services because their vehicles are typically covered by manufacturer warranties. We believe that consumers who own vehicles that are more than four years old increasingly prefer to have their cars serviced by independent garages. This is primarily due to the expiration of car warranties and the fact that these particular consumers are more concerned by the pricing of services and parts, which is typically a favorable development for the IAM. As a result, spare parts supplied for vehicles over five years old constitute the majority of the IAM.

Composition of vehicles on the road

The composition of vehicle makes and models on the road is largely determined by the purchasing power and preferences of end-customers. Such composition influences the frequency of maintenance and repair services, the average price of spare parts used for repairs and the overall development of the IAM.

Vehicles on the road in France are generally of high quality. As a result, the average price of spare parts is higher. We expect the IAM to capture a higher share of the market as the average age of vehicles in France increases.

Furthermore, there is an increasing heterogeneity in vehicle brands, resulting in a need to be able to offer a wide variety of spare parts. This increasing complexity tends to benefit the IAM over the OES, due to its efficient management of the proliferation of different brands, ability to address a larger and more diverse customer base, and its greater economies of scale.

Miles travelled

The need for maintenance and repair services is directly related to the age of and number of miles travelled by vehicles. For example, an increase in fuel prices or, for example, the adoption of government incentives to use public transportation, or disincentives to travel by car, may have an impact on the number of miles travelled over a certain period. Over the past five years, the number of miles travelled in Europe has been negatively impacted by a weak economic climate, among other factors.

Technological developments and prices

Technological developments in the light vehicle industry generally lead to an increase in the quality of vehicles available, as well as the components used in car manufacturing becoming more complex. While an increase in quality generally results in an increase in the durability of vehicle components, it also tends to lead to an increase in the average price of spare parts. Furthermore, there is a general trend towards the use of modules in automobiles, which are more expensive to replace than single parts.

The increasing complexity of vehicle components can also impact the growth potential of the IAM, because service providers need to develop their vehicle expertise and technical capabilities to continue to provide minimum maintenance and repair services.

Regulation

The European regulatory environment directly affects the European light vehicle aftermarket, and has been generally favorable towards IAM operators in recent years. The general trend has been towards granting the IAM full access to the market by limiting restrictions on independent manufacturers selling automobile parts to authorized or independent distributors and garages, and end-customers. In addition, the current regulatory framework requires that the OES grant IAM operators full access to relevant technical information and permits only certain limitations on vehicle warranties.

New distribution channels

With the development of web-based databases, both garages and end-customers are able to identify, source and order required spare parts via the internet. This relatively new distribution channel will be key in retaining and capturing market share going forward, because customers will formulate their purchasing decisions while engaging with these internet databases.

Changes in vehicle use in France

L.E.K. estimates that, as of December 31, 2012 there were approximately 30.6 million vehicles on the road in France, corresponding to a density of 468 vehicles per 1,000 inhabitants. L.E.K. estimates that 65.3% of vehicles on the road are more than four years old. One of the primary reasons for this high number of relatively new vehicles derives from government incentives introduced in France, designed to encourage the purchase of new cars. We believe that the decline in purchasing power of the population and the absence of government incentives for new car purchases will lead to an increase of the average age of vehicles on the road in France, resulting in growing demand for IAM products and services.

The following table sets forth the historical development of French vehicles on the road from 2004 to 2012 in terms of size and age:

	2004	2005	2006	2007	2008	2009	2010	2011	2012
	(In thousands)								
Vehicles on the road	29,570	29,750	29,857	30,051	30,234	30,306	30,426	30,507	30,572
Segment by age:									
< 5 years	10,289	10,296	10,072	10,032	10,109	10,383	10,576	10,777	10,597
> 5 years	19,282	19,454	19,785	20,020	20,124	19,923	19,850	19,730	19,975

L.E.K. estimates that the number of vehicles on the road in France will be fairly stable at a CAGR of 0.0% from 2012 until 2014. In addition, L.E.K. estimates that the portion of vehicles on the road with an average age of more than four years, which accounted for 65.3% of vehicles in France as of December 31, 2012, will increase to 67.0% by 2014 and to 69.0% by 2018.

Competitive landscape of the IAM in France

Distribution in the French IAM is highly fragmented and includes various national distributors, as well as regional and local distributors with a more limited market share. We are the largest independent distributor in France, holding a market share of approximately 22% as of December 31, 2012.

The table below sets forth the market shares of key IAM distributor brands in France as of December 31, 2012:

	Approximate market share in France*
Autodistribution	**22%**
Groupauto France**	16%
Precisium/GEFA**	14%
Others	48%

* Source: Management estimates.

** Groupauto France and Precisium/GEFA are both owned by Alliance Automotive Group, our main competitor in France, but they operate as separate purchasing groups.

Business

Overview

We are the leading distributor of aftermarket spare parts for light vehicles and trucks in the independent aftermarket segment ("IAM") in France, where we generated 90% of our revenue for the twelve months ended October 31, 2013. We also hold a strong regional position in the Polish light vehicle IAM, where we generated 10% of our revenue over the same period. With over 50 years of experience in the market, we believe that as of December 31, 2012, we held a market share of approximately 22% in terms of revenue in the fragmented French light vehicle IAM. The IAM has demonstrated resilience in recent years and currently benefits from advantageous long-term trends. Our scale provides us with significant purchasing power with aftermarket spare parts suppliers, and our extensive network throughout France allows us to deliver a broad range of parts on a timely and efficient basis.

We distribute parts and other products in four business lines across the French IAM: light vehicle parts for maintenance and repair; light vehicle parts for collision repair; truck parts for maintenance and repair; and equipment and tools for light vehicle maintenance and repair. We distribute a broad portfolio of products in each our four business lines, featuring approximately 1.7 million spare parts from over 300 suppliers.

We are an integrated distributor, with an advanced supply chain and distribution system. Our system in France is organized around central purchasing departments, which buy aftermarket spare parts and equipment and tools from our suppliers, which are then sold to our wholly-owned distributors or to affiliated independent distributors. These distributors sell these parts, equipment and tools to independent garages, body shops, fast-fitters, fleet garages for light vehicles and trucks and car centers ("garages"), some of which are affiliated with us and operate under our brands, such as AD ("branded garages"). Sales by our wholly-owned distributors to garages represented 75% of our revenue in France for the twelve months ended October 31, 2013, and sales by us to affiliated independent distributors represented 25% of our revenue in France over the same period. As of October 31, 2013, we had a network of 48 wholly-owned distributors and 44 affiliated independent distributors in France. These distributors operated out of 489 distribution sites which are supplied either by our three warehouses (one for each of light vehicle parts, light vehicle collision repair parts and truck parts) or through direct shipments from suppliers. We use a customized information technology ("IT") system to ensure the efficient management of our supply chain and distribution system by tracking product availability, stock levels and delivery schedules. In Poland, we operated three warehouses and 43 distribution sites.

The spare parts and equipment and tools that we distribute are sold to more than 125,000 end-customers in France, a significant portion of which are independent garages. Approximately 3,200 of such garages operate under our brands, such as AD, and participate in an affiliate program through which they receive enhanced service and support from us, and in return our wholly-owned and affiliated independent distributors are designated as their preferred distributor of spare parts. Our extensive network, spanning the supply chain from central purchasing to branded garages, has enabled us to develop a highly recognized brand in the markets in which we operate.

Our leading market positions, large-scale operations and centralized purchasing departments provide us with significant purchasing power, which we use to negotiate volume rebates with our suppliers. We pass on a portion of these rebates to both our wholly-owned distributors and affiliated independent distributors in France. As members of our loyalty program, our affiliated independent distributors receive the benefit of our volume rebates by agreeing to purchase at least 70% of their spare parts from us, driving our volumes.

For the twelve months ended October 31, 2013, we generated revenue of €1,129 million and Adjusted EBITDA of €53.1 million. We are currently in exclusive negotiations regarding the Contemplated ACR Acquisition. ACR is a specialized distributor in France of spare parts for light vehicles. For the twelve months ended October 31, 2013, ACR generated adjusted EBITDA of €6.6 million, and we have in addition identified €6.0 million of cost and purchasing savings per year that we will seek to realize in large part by having ACR purchase spare parts under our existing arrangements with our suppliers, which provide for more advantageous terms.

Of the €730.6 million in revenue generated by our wholly-owned distributors in France for the year ended December 31, 2012, light vehicle parts for maintenance and repair accounted for approximately 51%; light vehicle parts for collision repair accounted for approximately 16%; truck parts for maintenance and repair accounted for approximately 10%; and equipment and tools for light vehicle maintenance and repair accounted for approximately 23%. The remaining €246.0 million of our revenue for the year ended December 31, 2012 was generated by sales to affiliated independent distributors.

Our strengths

Leading distributor in the profitable and resilient independent light vehicle and truck aftermarket sector

Profitable and resilient sector

The light vehicle and truck spare parts aftermarket is one of the most profitable sectors of the light vehicle and truck value chain. Demand in the light vehicle spare parts aftermarket is affected by the number of cars on the road (the "car park") and the average age of and miles driven by these cars. The aftermarket in the countries in which we operate has proven resilient during recent economic downturns even as new car sales decline. For example, the French light vehicle and truck aftermarket increased by 1.3% between 2008 and 2011. This resilience is due in part to several beneficial trends which we believe will continue in the medium term, such as a stable car park size, a continuing increase in the average age of the car park, increasingly complex and technologically advanced vehicle parts and advantageous regulatory schemes in the jurisdictions in which we operate. For example, the slowdown of new car sales in the markets in which we operate has led to an increase in the average age of the car park, resulting in more cars that are beyond the manufacturer warranty period and are in need of repair and maintenance. Independent garages sourcing IAM-provided spare parts provide value for owners of such older cars looking for an alternative to more expensive manufacturer dealers' garages.

According to WOLK, the French IAM, which represented 56% of the revenues generated by the light vehicle parts aftermarket in France in 2011, is expected to remain stable between 2011 and 2015.

Leading position

We are the leading distributor of aftermarket parts for light vehicles and trucks in the IAM in France, with over 50 years of experience. As of December 31, 2012, we held an estimated market share of approximately 22% in terms of revenue in the fragmented light vehicle IAM. Our leading position in the IAM, our well-recognized brand and our extensive distribution network provide us with a strong platform to deliver a broad range of spare parts, equipment and tools on a timely and efficient basis. We also enjoy a strong regional position in the light vehicle IAM in Poland through our wholly-owned distributors in southern Poland.

Vertically integrated distribution system serving a diversified customer base

Vertically integrated distribution system

Our distribution system is vertically integrated, enabling us to frequently and rapidly distribute a large assortment of parts, at a lower cost than smaller operators, and to maintain high levels of product availability. Each of our business lines in France has an extensive distribution network organized around our central purchasing departments, three specialized national warehouses and distribution sites spread throughout France. We also arrange for direct supply of spare parts and equipment and tools from suppliers, and these deliveries are handled separately from our logistics platform. For those parts not shipped directly from the supplier, we use a customized IT system to ensure the efficient management of our supply chain and distribution system by tracking product availability, stock levels and delivery schedules. Our distribution system is also capable of making frequent, rapid deliveries and has been designed to efficiently handle high volumes, thereby reducing costs, increasing product availability and, ultimately, driving increased customer loyalty. Furthermore, we have organized our distribution system taking into account each business line's specific characteristics in order to optimize our operational flexibility and efficiency, thereby increasing our ability to provide high levels of service to our customers. Our vertically integrated distribution system and network of distributors and end-customers provide us with a competitive advantage in France over smaller operators because smaller operators lack our purchasing power, large on-hand stock and service levels. We are also a founding partner of the AD International purchasing network, one of the largest international purchasing networks for spare parts, which further enhances our purchasing power, allows us to obtain significant rebates and complements our leading position in France by giving us access to best-practices of other AD International partners abroad. We believe that the advantages of our vertically integrated distribution system are difficult to replicate, because the significant time and resources that would be required to reproduce our existing infrastructure.

Diversified customer base

Our vertically integrated distribution system enables us to deliver high levels of service to a very large customer base of light vehicle and truck garages (which include independent garages, body shops, fast fitters, fleet garages and car centers). We serve more than 125,000 end-customers in France, including our approximately 3,200 branded garages which we service through both our wholly-owned and affiliated independent distributors. For the twelve months ended October 31, 2013, 75% of our revenue in France was generated by sales to garages through our wholly-owned distributors, and 25% of our revenue in France was generated by sales to affiliated independent distributors that are members of our loyalty program. We believe that our efficient distribution network and our ability to deliver a wide variety of parts across a broad network on a timely and efficient basis has contributed to increased customer loyalty and enabled us to develop and maintain our large and diverse customer base. In general, the end-customers targeted by our wholly-owned distributors and our affiliated independent distributors do not overlap due to the commercial arrangements that we have in place with our affiliated independent distributors.

High-quality service and highly efficient operations based on customized IT systems and extensive product portfolio

High-quality service

Quality of service in the IAM distributor market is closely tied to the range of parts on offer, efficient and effective order execution, timely delivery and responsive customer service. We offer an extensive product portfolio of approximately 1.7 million spare parts from over 300 suppliers. Our large geographic footprint, vertically integrated distribution system and advanced logistics platform allow us to provide efficient and effective service to our customers throughout France. We provide several daily deliveries, including deliveries within two hours for fast-moving items and next business day deliveries for slow-moving items. If a distributor does not have a specific spare part in stock, we are able to deliver the item to that distributor from one of our logistics platforms or arrange delivery directly from the supplier within one business day of order placement. We also deliver other services for our customers, including user-friendly websites and online and offline support, technical hotlines and training services. Our online business-to-business car and truck repair and maintenance web portals (Autossimo and Truckissimo, respectively) provide user-friendly portals for garages to search for and directly order from a large selection of spare parts and to obtain technical information, thereby improving the customer experience and reducing our call center costs. We believe these web portals provide us with a competitive advantage, and almost €100 million of our revenue from sales of light vehicle spare parts by both our wholly-owned distributors and affiliated independent distributors for the twelve months ended October 31, 2013 were placed through our online portal, Autossimo. We believe that the consistently high quality of services we offer drives customer loyalty and reinforces our market-leading positions.

Customized IT system

Our customized IT system plays a key role in allowing us to manage inventory levels and delivery schedules effectively. We have recently upgraded the warehouse IT management system of our light vehicle logistics platform, which we believe is best-in-class. We are also in the process of upgrading our IT systems for our sales department, and have rolled out eBook, a tablet-based program allowing our sales representatives to see previous customer orders and to make suggestions for purchases based on the customer profile. We believe that our IT systems provide us with a significant advantage and drive our ability to serve our customers on a timely and efficient basis.

As the IAM grows more complex as a result of the evolution of technical parts and an increased assortment of spare parts and equipment and tools available on the market, the ability to operate efficiently will be increasingly important in maintaining our high-quality service and our market-leading positions. As a result we have made, and expect to continue to make in the future, judicious investments in IT.

Extensive product portfolio

We believe our suppliers view us as a key channel through which they are able to supply parts for the IAM, which allows us to negotiate improved pricing and purchasing terms from a diverse range of suppliers. This is because we are one of the few distributors in our market that has the scale, warehouse logistics and distribution network and expertise to be able to acquire, stock and distribute a large number of spare parts and equipment and tools for an increasingly complex market. The number of car and truck brands and models in the car park continues to increase and, as a result, the related assortment of car and truck spare parts increases each year. We believe that our extensive product portfolio, combined with our extensive range of services, makes us attractive to the growing number of multi-brand garages who are moving away from single-brand manufacturer-specific dealers.

Stable financial performance and strong cash flow generation with a capex-light business model

During the last three fiscal years, we generated stable revenue, increased our Adjusted EBITDA margin from 2.7% to 4.5%, and maintained stable cash flow generation even during the recent economic downturn, with cash conversion (defined as the percentage of Adjusted EBITDA converted to cash) between 56.8% for the year ended December 31, 2010 and 82.4% for the year ended December 31, 2012. For the twelve months ended October 31, 2013, we achieved an Adjusted EBITDA margin of 4.7%. We have driven Adjusted EBITDA margin improvement during the last three years by implementing a series of profit improvement measures, and since these measures were implemented, our EBITDA has increased by approximately €30 million in the twelve months ended October 31, 2013 compared to the year ended December 31, 2009. These measures include: improved purchasing by our central purchasing departments and increased group-wide purchasing (including our affiliated independent distributors) to maximize rebates; reductions in the cost of local management and administration through the implementation of shared services; and reductions in transportation and logistics costs by optimizing truck routes and increasing the use of central distribution facilities. In addition, we improved our cash flows from operating activities from €15.6 million for the year ended December 31, 2010 to €39.0 million for the year ended December 31, 2012.

We operate a capex-light business model using rented facilities, and thus our operations do not require us to own or maintain extensive physical infrastructure. During the twelve months ended October 31, 2013, our capital expenditures amounted to 1.4% of our revenue and primarily consisted of IT investments, such as upgrades to our warehouse IT management system and sales IT systems, as well as expenditures for maintenance of our distribution facilities. Our low levels of capital expenditures (as a percentage of revenue) have allowed us to invest in our business, maintain our leading market positions, improve operating efficiency and achieve deleveraging through Adjusted EBITDA growth.

Experienced and successful management team with strong support from our sponsors led by TowerBrook

Our Chairman, Olivier Roux, our CEO (France), Stéphane Antiglio, and our Group CFO, Christophe Gouthière, have more than 70 years of combined experience in the distribution and light vehicle sectors and have a proven track record in developing and implementing turnaround and growth strategies. Our Chairman, Olivier Roux, is the former co-CEO of the Rhiag Group, a leading distributor in the Italian, Swiss and Eastern European light vehicle aftermarkets, and has extensive experience in the light vehicle aftermarket. Our CEO (France), Stéphane Antiglio, is the former CEO of Pomona Passion Froid, the frozen food distribution branch of Pomona. Our Group CFO, Christophe Gouthière, was previously European CFO of the Dole Group, a leading distributor of fresh fruit and vegetables. Our Chairman, CEO (France) and Group CFO, supported by an experienced management team, have successfully implemented the profit improvement plan. We believe that the success of our management team in completing our profit improvement plan and returning our business to profitable growth has laid a solid foundation for further growth and increased profitability. The support and investment experience of our sponsors led by TowerBrook supplement the leadership and knowledge of our management team.

Our strategy

The key elements of our business strategy are:

Continue to strengthen our market-leading positions

Light vehicle and truck parts

We intend to strengthen our position as a market leader in the French light vehicle IAM through organic growth. With more than 50 years of experience, we believe that we are well positioned to maximize growth opportunities in the increasingly complex light vehicle IAM. To accomplish this growth, we plan to extend our network coverage, improve our sales force performance and practices, and develop new key accounts. As part of this strategy, we are currently in exclusive negotiations regarding the Contemplated ACR Acquisition. ACR is a specialized distributor in France of spare parts for light vehicles. We also intend to expand our geographic coverage in the French truck IAM, in part by making selective, local acquisitions.

Collision parts

Revenue from our collision repair services increased at a CAGR of 16.3% between 2010 and 2012. We believe that we are well positioned to further win new contracts with insurance companies for our collision repair services and to channel this business to our branded garages due to our high levels of service and lower prices, thereby strengthening our partnerships among branded garages and insurers and increasing demand for the provision of collision repair parts from our distributors. To this end, we have expanded our call center for our collision repair services and have set up a separate sales department to target insurance clients, and we intend to further develop our collision business line's logistics platform to handle the expected increased demand for these collision repair services.

Enhance customer service

Logistics

We intend to continue to enhance the high-quality service we provide to customers by ensuring seamless execution from order to delivery and by further increasing our already extensive product assortment. We believe that the range of spare parts on offer, efficient and effective order execution, and timely product delivery will continue to drive customer loyalty. We plan to shorten the time between order placement by our customers and delivery of products by improving our logistics and distribution system, including through the recent upgrade of the warehouse IT management system of our light vehicle logistics platform. If we acquire ACR, we believe that we will benefit from ACR's experience in product return management and its specialization in deliveries within two to four hours of order.

Products

We seek to offer an even more extensive product range in the light vehicle, collision and truck sectors. We believe that this will provide us with growth potential by allowing us to capture market share for new brands and product lines. For example, we plan to further expand our portfolio by including additional product families for chassis, engines, electronics and light vehicle body parts. We also plan to further develop our private label ISOTECH product line and, if we acquire ACR, the private label product line of ACR for the light vehicle and truck aftermarket. We also plan to introduce at least one new product line every year. We believe this approach will allow us to address different types of customers with different value propositions, ultimately optimizing our market coverage. We also believe that an increase in private label product lines as a percentage of our total revenues will improve our competitiveness and margins.

Continue to optimize organizational efficiency

We intend to continue to optimize our operational processes by implementing several changes to the organization of our supply chain, inventory management, IT, real estate, human resources and logistics, which we believe will allow us to increase the quality of our operations, reduce fixed costs and increase variability in our real estate and employee cost base. We plan to further standardize our central administration and to enhance our IT support in order to implement these changes. We also plan to invest in supply chain tools and methodologies aimed at improving our product distribution framework in order to maximize customer service and inventory efficiency. By further enhancing existing software and installing new software, such as the recent upgrade of the warehouse IT management system of our light vehicle logistics platform, we will be able to expedite our logistics and optimize the processing of orders. If we acquire ACR, we also believe that such acquisition will enable us to group express deliveries and centralize product returns in a single logistics platform.

We also intend to further strengthen our Polish operations and to improve our Adjusted EBITDA margin in Poland pursuant to a profit improvement plan which is currently being implemented.

Continue to improve purchasing performance

We believe that one of the most important factors in our success has been our ability to use the purchasing power derived from our size, integrated business model, specialized warehouse management and logistics systems, and partnership with AD International to obtain larger rebates and more favorable terms from suppliers than are available to other participants in the parts IAM. We intend to continue to seek to capitalize on our scale and integrated purchasing to negotiate better prices and purchase conditions with our suppliers. For example, we believe that, if we acquire ACR, the corresponding scale increase will allow us to further improve our purchasing performance. Additionally, we are focused on increasing the share of purchases made by our affiliated independent distributors through our central purchasing departments, which we expect will further increase our sales volumes and improve our purchasing power.

Increase focus on over-the-counter sales of light vehicle spare parts

Our over-the-counter sales of light vehicle spare parts in France generated approximately 20% of our revenue for the twelve months ended October 31, 2013. The French "do-it-yourself" aftermarket represents a high-margin market, and we are developing strategies, including loyalty cards and sales force training, that target these customers and allow us to effectively compete against online light vehicle spare parts retailers. As part of this strategy, we are currently in exclusive negotiations regarding the Contemplated ACR Acquisition. ACR serves online light vehicle spare parts retailers, and offers us exposure to this segment of the IAM. Whether an order is placed at one of our distribution sites or online, we believe that our timely over-the-counter product delivery provides us with a strategic advantage compared to online-only light vehicle spare parts retailers, which have inherent lead times for acquiring spare parts. We regularly assess the compatibility of our do-it-yourself sales with our existing business-to-business objectives in terms of pricing and demand elasticity, as well as the impact of our do-it-yourself sales on our business-to-business sales. ACR's primary customers are online spare parts retailers, and as a result the Contemplated ACR Acquisition would provide us with additional exposure to this market.

History

We were founded in 1962 to formalize the cooperation between a number of existing independent light vehicle aftermarket distributors and quickly became a key link throughout France between original equipment suppliers and spare parts suppliers on the one hand, and local spare parts distributors, garages, body shops, fast-fitters and car centers on the other hand. In 1983 we expanded our footprint throughout France, both at the distributor level and the garage level, by forming our network of wholly-owned distributors and rolling out our concept of a network of branded garages that comprised key customers and were independent from Autodistribution. We launched our truck business in 1988 to supply spare parts for trucks, tractors and trailers. It was the first independent distributor network of spare parts for trucks in France.

In 2007, we entered the Polish market by purchasing three local distributors who currently form the core distributors of AD Polska. In 2009, we entered the Italian market and formed AD Italy. We sold our majority stake in AD Italy in 2012.

Throughout our history, we have expanded our business through strategic acquisitions. We enhanced our logistics platform through the acquisitions of Cora, a leading independent French distributor of light vehicle parts for collision repair, in 2005 and Bremstar, a distributor with a logistics platform dedicated to truck parts for maintenance and repair, in 2008. We also acquired Enssemble, a network of light vehicle spare parts distributors, in 2012, and FPLS, a truck spare parts distributor, in 2013. In December 2013, we acquired Rougon Queyrel, a distributor of spare parts for light vehicles in southeastern France.

Having realized at an early stage that internet offered innovative opportunities for light vehicle and truck spare parts distributors, we created the Autossimo online business-to-business light vehicle repair and maintenance web portal in 2000 and the Truckissimo online business-to-business truck repair and maintenance web portal in 2001. We have also developed our own private label, ISOTECH, which features spare parts for both light vehicles and trucks, such as batteries and lubricants, and was re-launched in 2008.

We were acquired by our two current principal shareholders, Investcorp and TowerBrook, in 2006 and 2009, respectively. See "*Principal shareholders*."

Safeguard

Between February 18, 2009 and April 6, 2009, the Issuer and the Parent Guarantor were subject to safeguard proceedings (*procédure de sauvegarde*) opened by the Commercial Court of Evry.

Safeguard proceedings in France are a commercial court-led process opened on a voluntary basis by a company in which such company seeks court protection from creditors in order to achieve a restructuring plan.

In 2009, before the opening of our safeguard proceedings in February, we signed a restructuring agreement with our creditors approving our debt restructuring and our equity-financed majority acquisition by TowerBrook. The safeguard proceedings allowed the Issuer and the Parent Guarantor to confirm and implement the restructuring plan contemplated in the restructuring agreement, thereby reducing the impact of the restructuring on our primary operating company Autodistribution S.A., its central purchasing departments, its subsidiaries and its network, which were not materially affected by this procedure and continued to operate in the ordinary course of business.

On April 6, 2009, the Commercial Court of Evry adopted safeguard plans for the Issuer and the Parent Guarantor, thereby ending the safeguard proceedings in respect of the Issuer and the Parent. Since then, the Issuer and the Parent Guarantor have been operating outside safeguard proceedings and their relationships with their creditors, which debt was restructured within safeguard proceedings, are governed by their respective safeguard plans.

As of the Issue Date:

- At the level of the Issuer, when the Existing Senior Facilities and Hedge Promissory Note are fully repaid, the Issuer will have repaid all the restructured debt governed by the existing safeguard plan, using its ability under its safeguard plan to prepay such debt.
- At the level of the Parent Guarantor, when the EP Bonds are fully repaid (the Parent Guarantor using its ability under its safeguard plan to prepay such debt), the Parent Guarantor will remain subject to the safeguard plan only for the purpose of the Contingent Value Instruments, which terms will remain applicable in full. The Parent Guarantor safeguard plan will terminate on April 6, 2016 or following the expiration or repayment of the Contingent Value Instruments, if earlier.

Contemplated ACR Acquisition

Following the conclusion of a fulsome due diligence process, the Parent Guarantor has been granted a period of exclusivity to negotiate with ACR's shareholders with respect to a potential acquisition of ACR and its subsidiary by Autodistribution S.A. The exclusive negotiations are on the basis of an enterprise value for ACR of between €55 and €65 million. Autodistribution S.A. and ACR have agreed to initiate the works council consultation processes to proceed with the Contemplated ACR Acquisition. Under these consultation processes, the applicable works councils will have a period of time to review and give their opinion on the Contemplated ACR Acquisition, but are not required to approve, and do not have the right to veto, the

Contemplated ACR Acquisition. These works council consultation processes are required to be completed prior to entry into any definitive agreement in respect of the Contemplated ACR Acquisition. We expect these consultation processes to take at least 15 days from January 14, 2014, date they were initiated.

For the twelve months ended October 31, 2013, ACR generated revenue of €68.9 million and Adjusted EBITDA of €6.6 million. For the years ended December 31, 2012 and 2011, ACR generated a revenue of €68.0 million and €61.1 million respectively. For each period, ACR generated adjusted EBITDA of €5.7 million and €5.1 million respectively. ACR is a distributor of spare parts for light vehicles in France, and serves a diverse customer base, comprising primarily autocenters, fast-fitters and online spare parts distributors. ACR mainly distributes braking systems, rotating electrics (alternators and starters), engine environment (filters and exhausts) and clutches and transmission. For the year ended December 31, 2012, ACR's revenue was derived from distributors (37%), web dealers (35%), auto centers and fast-fitters (16%), car dealers (5%), special markets (4%) and export (3%). We believe that the Contemplated ACR Acquisition would allow us to grow our market share in the French light vehicle aftermarket and enable us to realize further significant procurement, logistics and distribution savings and cost efficiencies.

Our geographic markets

We primarily distribute our products in France and have a total of 48 wholly-owned and 44 affiliated independent distributors, as well as approximately 3,200 branded garages, which participate in an affiliate program through which they receive enhanced service and support from us, and in return our wholly-owned and affiliated independent distributors are designated as their preferred distributor. For the twelve months ended October 31, 2013, 90% of our revenue was generated by our operations in France. We have an extensive distribution network in France for our light vehicle spare parts business line, with distributors in every region of the country. Our central management and headquarters and most of our central purchasing functions are located in Arcueil, near Paris. Two of our logistics platforms, Logisteo (which distributes light vehicle parts for maintenance and repair) and Bremstar (which distributes truck parts for maintenance and repair), are located in Moissy Cramayel and Pringy, in the Seine-et-Marne department. Our Cora logistics platform (which distributes light vehicle parts for collision repair) is located in Chaponnay and Corbas, in the Rhone department.

We also operate in Poland, where we are a leading light vehicle spare parts distributor, with a distribution network of three warehouses and 43 wholly-owned distributors. For the twelve months ended October 31, 2013, 10% of our revenue was generated by our operations in Poland.

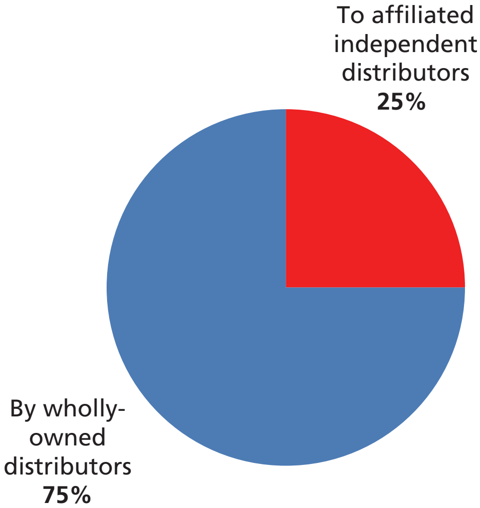
Our product lines

We provide light vehicle and truck spare parts in each of the following segments of the aftermarket: (i) light vehicle parts for maintenance and repair; (ii) light vehicle parts for collision repair; (iii) truck parts for maintenance and repair; and (iv) equipment and tools for garages in both the IAM and OES.

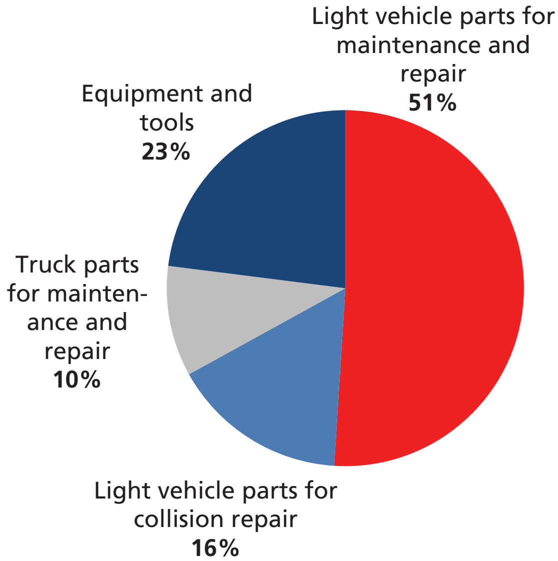
Our product portfolio includes a broad range of parts that are used in light vehicles and trucks, including brake systems, steering and suspensions parts, heating and cooling systems, engines and exhausts, chassis components, windscreens, oils and electrical products. Other products range from vehicle body parts, such as headlights and bumpers, to body panels and engine overhaul products.

The following charts, for the year ended December 31, 2012, show the breakdown of revenue generated by our wholly-owned distributors and to affiliated independent distributors, as well as the breakdown of revenue by business line generated by our wholly-owned distributors.

Revenue by wholly-owned distributors and to affiliated independent distributor



Revenue by business line from our wholly-owned distributors



Light vehicle parts for maintenance and repair

For the year ended December 31, 2012, we derived approximately 51% of our revenue from the distribution of spare parts for the maintenance and repair of light vehicles. 31 of our 48 wholly-owned distributors and 34 of our 44 affiliated independent distributors sell a full range of light vehicle parts for maintenance and repair, including engine parts, brakes and batteries, in all regions of France through 358 distribution sites.

We also distribute spare parts for the maintenance and repair of light vehicles to independent garages, including 2,341 branded garages (as of October 31, 2013). This network includes 1,176 "AD" branded garages, of which 848 are designated "Garage AD Expert," identifying them as providing end-customers with both routine maintenance and more complex repair services; seven AD Autoservices, which are multi-service garages offering maintenance, repair and bodywork services; 1,105 Auto Primo garages; and 53 Staff Auto garages. We developed our network of branded garages based on population density in particular areas. For example, in rural areas we aim to have one branded garage for every 15,000 inhabitants living within a 15-kilometer radius of that garage. Our branded garages perform repair services for all major light vehicle brands and models and use our integrated diagnostic tools.

Further, we have entered into service agreements for light vehicle parts for maintenance and repair with companies with large light vehicle fleets, as well as partnerships with fast-fitters and car centers.

Private label

In 2008, we re-launched our private label ISOTECH product line, which currently comprises eight product groups sold under our AD brand for the light vehicle aftermarket, including batteries, lubricants, timing kits, water pumps and braking components. Our ISOTECH products are currently offered at a discount rate of approximately 15% compared to prevailing market prices, but generate a higher margin for us than third-party branded products.

Website

We have developed the internet platform Autossimo, which is an online business-to-business light vehicle repair and maintenance portal for repairers and body shops with an online catalog of more than 1.5 million spare parts, representing over 430 different original equipment suppliers. The website offers continuously updated technical databases and management tools, such as an easy-to-use portal outlining repair methods, connected diagnostic and costing tools, parts identification tools, price comparison tools by brands, inventory access and an online ordering platform.

Light vehicle parts for collision repair

For the year ended December 31, 2012, we derived approximately 16% of our revenue from the sale of light vehicle parts for collision repair. The collision repair products that we distribute include a wide range of integrated products and include individual parts and entire body components. We manage our collision repair services through three-way partnerships among independent garages, insurers and us.

We also distribute light vehicle parts for collision repair to independent body shops including, 582 branded body shops (as of October 31, 2013) operating under the "Carosserie AD" brand. We use our specialized logistics platform Cora for the delivery of light vehicle parts for collision repair to wholly-owned distributors and affiliated independent distributors.

Website

We also have our own call center which directly serves the customers of insurance companies. Furthermore, we are in the process of developing the website "Carrossimo," which is an online business-to-business collision repair portal for body shops.

Truck parts for maintenance and repair

For the year ended December 31, 2012, we derived approximately 10% of our revenue from the distribution of truck spare parts, for which we are the leading independent distributor in France (based on our geographic network). Our subsidiary Bremstar offers over 8,600 truck spare parts from 19 suppliers which we generally stock in our warehouses for shipment on an expedited basis. As of October 31, 2013, 27 wholly-owned distributors and 25 affiliated independent distributors were selling truck parts for maintenance and repair.

We also distribute truck parts for maintenance and repair to 179 branded truck garages in France (as of October 31, 2013) operating under our AD brands, of which 107 were wholly-owned and 72 were independent affiliates. We use our specialized logistics platform Bremstar for the delivery of truck parts for maintenance and repair to our wholly-owned distributors and affiliated independent distributors. We increased our footprint in the truck aftermarket by acquiring FPLS, a truck parts distributor, in 2013. We also entered into a partnership in 2012 with TIP Trailer Services, a trailer rental service business in Europe which has a fleet of approximately 48,000 trucks, pursuant to which we provide truck parts for the maintenance and repair of the fleet of TIP Trailer Services.

Private label

Our ISOTECH product line for truck parts for maintenance and repair currently comprises five groups of products which are sold under our AD brand for the truck aftermarket, such as batteries, lubricant, water pumps or headlights.

Website

We have developed the internet platform Truckissimo, which is an online business-to-business truck repair and maintenance portal for repairers and body shops. The website offers continuously updated technical databases and management tools, such as an easy-to-use portal outlining repair methods, connected diagnostic and costing tools, parts identification tools, price comparison tools by brand and inventory access.

Equipment, tools and other

For the year ended December 31, 2012, we derived approximately 23% of our revenue from the distribution and maintenance of equipment and tools for light vehicle maintenance and repair, by our wholly-owned distributors. We have a comprehensive equipment and tool product offering, which includes garage equipment, such as light vehicles lifts and diagnostic tools, personal safety equipment and tools, as well as a wide range of technical parts such as lambda sensors, flow meters and turbochargers. We also provide installation and other after-sales services for these products. Furthermore, we have developed Diag'issimo, an interface which connects leading diagnostic tools with the Autossimo online light vehicle repair and maintenance portal, providing garages with an integrated solution from diagnostics to spare parts order placement.

Our distribution platforms and end-customers

France

In France we purchase light vehicle parts and sell them (i) through our wholly-owned distributors to independent garages, body shops, fast-fitters and car centers and (ii) to affiliated independent distributors. We have a similar distribution model for collision repair, for which our subsidiary Cora acts as central purchasing department and warehouse, and for spare parts for trucks, for which our subsidiary Bremstar acts as central purchasing department and warehouse. For the twelve months ended October 31, 2013, our wholly-owned distributors generated 75.5% of our revenue through sales of spare parts to garages and over-the-counter sales, and our sales to affiliated independent distributors generated approximately 24.5% of our revenue. For the ten months ended October 31, 2013, approximately 4% of the revenue generated by our independent affiliated distributors was derived from sales by our logistics platforms Cora and Bremstar.

For the year ended December 31, 2012, our wholly-owned distributors generated a net revenue of €730.6 million, or 74.8% of our total net revenue, through sales of spare parts to garages and over-the-counter sales.

For the year ended December 31, 2012, our logistics platforms generated 25.2% of our revenue. Our Logisteo platform generated gross revenue of €553.0 million. After deduction of intercompany sales to wholly-owned distributors, the net revenue from sales to affiliated independent distributors for the year ended December 31, 2012 was €208.8 million, or 21.4% of our total revenue. Our Cora and Bremstar logistics platforms generated a net revenue of €37.1 million, or 3.8% of our total net revenue.

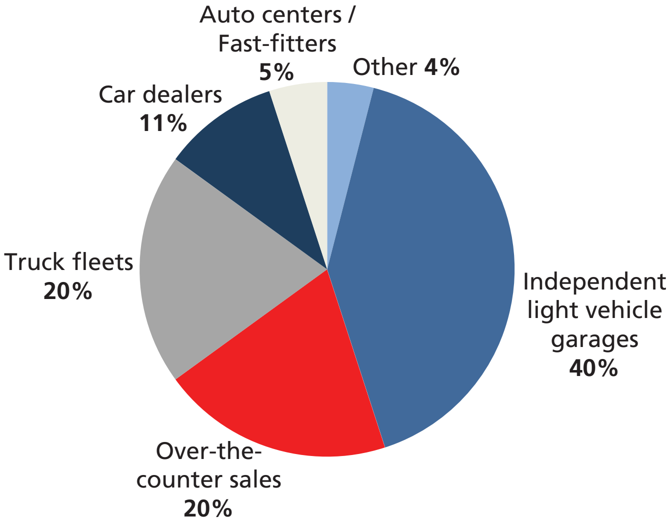
As of October 31, 2013, we had a broad network of 48 wholly-owned distributors and 44 affiliated independent distributors in France. These distributors operated out of 489 distribution sites which are supplied either by our three warehouses (one for light vehicle parts, one for collision repair parts and one for truck parts) or through direct shipments from the supplier to the distributor. Sixty-five of our wholly-owned distributors and affiliated independent distributors distribute light vehicle spare parts from 358 distribution sites and 52 of our wholly-owned and affiliated independent distributors distribute truck spare parts from 131 distribution sites.

We obtain rebates from our suppliers because we purchase products on a large scale, thereby allowing our central purchasing departments to negotiate favorable contracts with our suppliers. We pass on a portion of these rebates to affiliated independent distributors, and our wholly-owned distributors pass on a portion of these rebates when they sell spare parts to garages.

Both our wholly-owned distributors and affiliated independent distributors on-sell to a variety of end-customers, including independent light vehicle garages, over-the-counter sales, truck fleets, car dealers, and auto centers and fast-fitters. As of the year ended December 31, 2012, network-wide sales to these end-customers totaled €1.3 billion.

The following graph shows the percentage of revenue generated by our wholly-owned distributors in France by end-customer type for the twelve months ended October 31, 2013.

Wholly-owned distributor sales by end-customer



Garages require up to eight deliveries per day and, in the case of certain fast-moving parts (parts for which there is a high demand), may require delivery within two hours of order. We provide next business day deliveries for slow-moving items (parts for which there is a lower demand). Garages also need technical support to assist them with diagnostics, the identification of parts and repair methods, and the ordering of tools. Garages also require frequent training, as spare parts and related repairs become more technologically complex. We provide all these services, replicating for garages what light vehicle manufacturers provide for their own affiliated network of garages, but with the added complexity of providing these services for all light vehicle models.

We also provide truck spare parts to truck fleet companies, which are equipment services providers that specialize in the leasing and rental of trailers, tankers and other equipment, as well as possibly maintenance, damage repair, fleet management and telematics, requiring the truck fleet company to have truck spare parts readily available or delivered in a short period of time.

In addition, we distribute spare parts through our wholly-owned distributors to over-the-counter customers, including, among others, semi-professional and "do-it-yourself" customers. Our over-the-counter sales of light vehicle spare parts in France generated approximately 20% of our revenue for the twelve months ended October 31, 2013.

Poland

Our Polish distribution system is similar to our French distribution system, except that in Poland we distribute parts only to wholly-owned distributors. Our three warehouses in Poland store over 50,000 spare parts and distribute these parts to our wholly-owned distributors, which sell them to garages and shops, most of which are located in the south of Poland. For the twelve months ended October 31, 2013, 40% of our revenue in Poland was generated by sales to retail shops, 28% was generated by sales to garages, and 32% was generated by sales to car centers and others. Our distributors are able to make up to eight deliveries per day to our customers, which helps to ensure the loyalty of our customers. We have also developed a network of more than 300 branded garages, including 170 AD Garages, in order to increase our brand recognition in Poland. Our Polish distributors primarily use their website sales platform to generate and track orders, with sales through this platform accounting for more than 59% of our revenue in Poland for the twelve months ended October 31, 2013. We also have three call centers and over 100 sales staff in Poland.

Supply and procurement

Our distribution system is organized around our three central purchasing departments, which buy aftermarket spare parts and, equipment and tools from our suppliers, which are then sold to our wholly-owned distributors or to affiliated independent distributors. Our three central purchasing departments are: Logisteo for light vehicle parts for maintenance and repair; Cora for light vehicle parts for collision repair; and Bremstar for truck parts for maintenance and repair. These central purchasing departments implement our procurement policy and negotiate prices for the approximately 1.7 million spare parts that we purchase directly from over 300 suppliers. We buy substantially all of the products that we distribute directly from spare parts manufacturers, which we believe allows us to use our scale and centralized purchasing function to obtain favorable prices, rebates and other terms.

We select our suppliers via tender procedures for each product category that we distribute. For example, we select our brake or battery suppliers every three years. When selecting our suppliers, we take into account the quality and price of the spare parts or products, as well as a supplier's ability to deliver items within the deadlines required. We enter into annually renewable contracts with our suppliers, which include standard terms and conditions, such as logistics rebates or inflation adjustments for pricing. We negotiate supplier rebates on an annual basis. These supplier rebates comprise monthly bonuses on commercial and logistics services, as well as year-end rebates based on annual thresholds achieved. While negotiating these contracts, our scale and our central purchasing function allow obtaining optimal terms. We also invoice on a monthly basis additional services linked to direct deliveries from our suppliers to our wholly-owned and affiliated independent distributors, as well as deliveries by suppliers to our warehouses, or related logistics services.

We use our central purchasing system to monitor customer purchases across our network and quickly change our product portfolio in order to meet customer demand. We seek to buy in large quantities so that the savings made by buying in bulk offsets the costs associated with maintaining large inventories at our warehouses.

We also benefit from our AD International membership, a cross-border partnership among distributors of aftermarket spare parts that allows members to benefit from reduced purchase pricing through negotiations with suppliers on the basis of consolidated volumes, common marketing concepts and best-practice sharing. For the year ended December 31, 2012, AD International had members in 31 countries that generated €5.5 billion of revenue (in aggregate).

During the twelve months ended October 31, 2013, our top 25 suppliers in France accounted for 57.1% of our purchases (excluding purchases through Cora and Bremstar). Our largest supplier in France, Robert Bosch, accounted for 9.2% of our purchases (excluding Cora and Bremstar) and our second-largest supplier, Filtrauto, accounted for 3.9% of our purchases (excluding Cora and Bremstar). Except for Robert Bosch, no supplier in France accounts for more than 3.9% of our total purchases (excluding Cora and Bremstar) as of October 31, 2013.

Logistics

We operate three central logistics platforms (for light vehicle parts for maintenance and repair, for light vehicle parts for collision repair and for truck parts for maintenance and repair) to allow both our wholly-owned distributors and affiliated independent distributors to respond to customer expectations in terms of product availability and timely delivery. Our three central logistics platforms are:

- *Logisteo (2008)*: Logisteo is our central warehouse from which spare parts for light vehicle repair and maintenance are distributed. As of October 31, 2013, it was the largest independent logistics platform for light vehicle parts for maintenance and repair in France and had over 20,000 square meters of storage space and stored over 50,000 spare parts references of 135 brands. It supplies 482 distribution sites and employs 234 people. Deliveries of regular orders are made within four business days and express orders within the next business day.
- *Bremstar (2008)*: Bremstar was established in 1995, and we acquired it in 2008. It distributes truck parts for maintenance and repair. It has over 2,000 square meters of storage space and stores over 8,600 spare parts references. It supplies all of the 131 truck distribution sites and employs 32 people (as of October 31, 2013). Deliveries of express orders are made by the next business day and regular orders are made within five business days.

- *Cora (2005)*: Cora was established in 1967, and we acquired it in 2005. It distributes light vehicle parts for collision repairs and has over 26,000 square meters of storage space. It stores over 50,000 spare parts references from 35 brands. Orders placed before 5:30 p.m. are delivered the next business day.

For the twelve months ended October 31, 2013, we delivered approximately 35% of products sold in France to both our wholly-owned and affiliated independent distributors through our three specialized logistics platforms. Spare parts manufacturers deliver the other 65% of products sold in France directly to our distributors. We plan to increase the amount of orders delivered through our logistics platforms, which allows for bulk purchases on favorable conditions.

Shipment of products from our warehouses to our distribution network is carried out through independent carriers. Our logistics department is also responsible for setting performance targets and related incentives and penalties, while continuously monitoring the performance of third-party carriers in order to improve customer service. We plan and monitor product flows through our IT systems. We lease, rather than own, our distribution centers, thereby limiting our permanent investment in fixed assets. The logistics department of each of our Logisteo, Cora and Bremstar logistics platforms has the following primary responsibilities:

- *Inbound logistics:* Accepting incoming products from suppliers and monitoring compliance with the supply specifications negotiated by our supply chain department.
- *Stocking:* Determining the shelf space to be allocated to each product, and the shelf placement in accordance with turnover indices and product size. The proper placement of products within the dedicated space is crucial to optimize the available space in each of our distribution centers.
- *Picking, packing and outbound logistics:* The space management practices carried out by our logistics department allows us to maximize efficiency in locating and retrieving products from the shelves and assembling orders of outgoing products. If products have not been previously packaged by the suppliers, the logistics department is able to carry out this activity.
- *Shipping:* Organizing and monitoring transportation.

Our contracts

In the ordinary course of our business, we enter into various contractual arrangements with our suppliers, affiliated independent distributors, wholly-owned distributors and branded garages.

- *Suppliers:* Our contracts with our suppliers are typically entered into for a one-year term, without automatic renewal, and may include supply specifications regarding the lead time, the frequency of deliveries and packaging, and the achievement by suppliers of certain performance targets. These targets are continuously monitored to ensure that our inventory is managed effectively and to improve customer service. Bonuses or penalties may apply on a case-by-case basis, depending on whether targets are reached or not. Inventory levels in the distribution centers are monitored by applying calculation procedures which may take into account, among other things, current inventory levels and past analysis of customer demand.
- *Affiliated independent distributors and wholly-owned distributors:* Our contractual arrangements with our affiliated independent distributors include agreements and commercial contracts. Pursuant to our affiliation agreements, our affiliated independent distributors agree to operate under the AD brand and to receive our support services in exchange for a membership fee. Our central purchasing departments enter into commercial contracts with both our wholly-owned distributors and affiliated independent distributors, which include the same purchase conditions and volume discounts for both affiliated independent distributors and wholly-owned distributors, and our affiliated independent distributors receive a loyalty bonus if the purchases made through our central purchasing departments account for typically at least 70% of their overall purchase volumes.
- *Branded garages:* We enter into agreements with independent garages, pursuant to which they become branded garages in exchange for a membership fee.

Sales

Our sales department is responsible for managing relationships with existing customers and establishing relationships with new customers, setting sales targets and implementing sales policies, which includes customer payment terms in cooperation with the finance and control department and managing payment collection in cooperation with the administration department.

Our sales department is divided between our two principal business lines, light vehicles and trucks.

- *Light vehicles:* This division supports our light vehicle spare parts distribution business. It operates at the central level, regional and local levels in order to address the fragmented market of light vehicle parts distributors, and is supported by regional and local logistics platforms at these levels.
- *Trucks:* This division supports our truck spare parts distribution business. It operates at the central, regional and local levels, and is supported by regional and local logistics platforms at these levels.

Marketing and advertising

Our marketing department is located in our headquarters in Arcueil (near Paris) and is focused on improving awareness and perception of our brand. Our marketing and advertising expenses were €2.4 million for the twelve months ended October 31, 2013. We market our distribution services to both affiliated independent distributors and garages, and engage in joint marketing campaigns with our suppliers that target garage end-customers.

We continuously invest in our marketing efforts in order to sustain our sales and upgrade our existing products. Our websites are one of our main marketing tools. They receive an average of 150,000 individual visits per month. We also regularly organize promotional campaigns for certain of the light vehicle and truck spare parts that we distribute.

Information technology

Our IT department is located in Morangis (near Paris) and plays an important role in our distribution process and operations, since we rely on it to manage our sales, supply chain and internal control. Our IT department supports our sales department, purchasing department, logistics department and accounting department.

Our IT department, in coordination with our sales department, has developed software to integrate our logistics platforms with an electronic interface which allows our customers to place orders online and obtain information regarding the availability of the products that we distribute, sales terms, conditions and shipping times. In 2012, our IT department also developed an eBook for our sales department, a tablet-based program allowing our sales representatives to see previous customer orders and to make suggestions for purchases based on the customer profile.

Our IT department collaborates with our logistics department, primarily to update the software and algorithms used to determine adequate inventory levels at our warehouses, product flows and the optimal shelf positioning of the products that we distribute. For instance, we have recently upgraded the warehouse IT management system of our light vehicle logistics platform, in order to manage our inventory more efficiently. Our IT system also enables us to determine product availability in real time and update the inventories of our warehouses accordingly.

Intellectual property

We use a variety of trade names, service marks and trademarks in our business. Except for the trademarks Autodistribution, Garage Expert AD, Auto Primo, Autossimo, AD PL, the "AD" logo, the garage names associated with the "AD" logo and ISOTECH, which are recognized brands in the industry, we do not believe that any of our other trade names, service marks or trademarks are material to our business. We rely on a combination of copyright, trademark and patent laws to establish and protect our intellectual property rights. We are not currently engaged in any material intellectual property litigation, nor do we know of any material intellectual property claims outstanding.

Employees

As of October 31, 2013, we employed 6,349 people, of whom 5,425 were employed in France with 98% on a full-time basis.

The following table sets forth the number of employees as of October 31, 2011, 2012 and 2013.

	As of October 31,		
	2011	**2012**	**2013**
Administrative	817	855	900
Sales	2,324	2,206	2,075
Distribution, logistics and workshops	2,004	2,366	2,450
France	**5,145**	**5,427**	**5,425**
Other countries	**1,048**	**974**	**924**
All employees	**6,193**	**6,401**	**6,349**

In the last three years we have not experienced any material disruption to our business as a result of strikes, work stoppages or other labor disputes that were specific to us. We believe that our relations with our employees are good.

We attach great importance to providing high-quality and expert service to our customers. Maintaining and repairing complex light vehicles and trucks requires well-trained and skillful employees. Selling light vehicle and truck spare parts and equipment and tools also requires expertise regarding the products and their use. Therefore, we provide our employees with a broad range of training.

To ensure the continued professional development of our employees, we have established a comprehensive training program, through which approximately 35,000 training hours were performed for the last twelve months.

We have also created the Institut AD, which offers a number of technical training modules through specialized training organizations and equipment manufactures.

Competition

We face numerous sources of competition in the highly fragmented French and Polish spare parts aftermarket in which we operate. See "*Industry*."

Our main competitor in France is Alliance Automotive Group, which operates under four main distribution networks in France: Groupauto, with 285 distribution sites; Precisium, with 293 distribution sites; Partner's, with 231 distribution sites; and GEFA, with 143 distribution sites. Alliance Automotive Group also operates ten different affiliation brands for light vehicle garages and one affiliation brand of truck garages. Although the overall number of competitors has decreased due to ongoing industry consolidation, the IAM remains very competitive. Customers select spare parts suppliers based on a number of factors, including product range and product availability, service level, price and value-added services.

Our main competitors in Poland include Inter Cars, Fota and Group Auto Union Polska.

Properties

As of October 31, 2013, we operated a network of 48 wholly-owned distributors. As of October 31, 2013, we leased substantially all of our warehouses and distribution sites.

Environment, health and safety

Although we do not manufacture the products we distribute, the storage of spare parts subjects our facilities and operations to environmental and occupational health and safety laws and regulations in each of the jurisdictions in which we operate. These laws govern, among other things, discharges of pollutants, the use, storage and disposal of hazardous substances and waste, and the clean-up of contaminated properties. Violations of environmental laws, applicable authorizations or permits can result in significant fines or civil or criminal sanctions. In addition, the discovery of contamination at our facilities could require us to incur substantial clean-up costs.

Environmental authorizations or permits required for some of our operations may be reviewed, modified or revoked by the issuing authorities. We believe that we are in material compliance with the environmental laws applicable to our business. Our environmental and occupational health and safety costs have not significantly affected our results of operations or financial position during the previous twelve months.

Insurance

We maintain insurance to cover risks associated with the ordinary operation of our business, including general liability, directors' and officers' liability, fleet, damages and losses and IT risk insurance. All of our policies are underwritten with reputable insurance providers, and we conduct yearly reviews of our insurance coverage with our broker and our insurance providers. We believe that our insurance policies provide sufficient coverage of the risks facing our business.

Legal proceedings

We become involved from time to time in various claims and lawsuits arising in the ordinary course of our business, such as employee claims, disputes with our suppliers, disputes with our lessors at the renewal of our commercial leases and intellectual property disputes. We are not currently involved in any legal proceedings which, either individually or in the aggregate, are expected to have a material adverse effect on our financial position or results of operations. We note, however, that the outcome of legal proceedings can be difficult to predict and we offer no assurance in this regard.

Klarius S.A.S. vs. Autodistributions S.A.

On September 10, 2008, Klarius S.A.S., a manufacturer of light vehicle spare parts for maintenance and repair in France, commenced proceedings against us and our subsidiaries before the Chartres Commercial Court (*Tribunal de Commerce*), claiming that we unfairly terminated our established commercial relationship with them. We argued that Klarius S.A.S.'s claim was not valid, since Klarius S.A.S. would have never started legal proceedings against us, but for its financial distress, because Klarius S.A.S. was declared bankrupt on March 26, 2008. However, the Chartres Commercial Court rejected our argument on June 5, 2012 and found that Klarius S.A.S. had a valid claim. This proceeding is still pending and there will be a procedural hearing on January 24, 2014. Klarius S.A.S. is claiming €2.4 million in damages. We dispute the merits of this claim and no provision in respect thereof has been created in our financial accounts as of December 31, 2012.

Regulation

We are subject to a wide variety of laws and regulations. Some of the most pertinent to the business sector in which we operate are laws and regulations that pertain to the light vehicle and truck wholesale sector and light vehicle inspections. The paragraphs below briefly describe some of that laws and regulations (focusing on French and EU laws and regulations). This section does not purport to be a comprehensive description of all the laws and regulations to which we are subject and that may be relevant to a decision to purchase the Notes.

European Union

The sectors of light vehicle and truck spare parts' wholesale and repair and maintenance services are currently regulated in the European Union by Regulation (EU) No. 461/2010 (the "New BER"), which replaced Regulation (EC) No. 1400/2002 (the "BER 2002") in 2010. Unlike BER 2002, the New BER does not apply to the purchase, sale or resale of new motor vehicles, which remain covered by BER 2002 until May 31, 2013 and by Regulation 330/2010/EC. Accordingly, the material scope of the New BER is now limited to the distribution of spare parts and the provision of repair and maintenance services for motor vehicles.

The New BER also applies to (i) the general EU competition law and (ii) the General Vertical Block Exemption Regulation (Commission Regulation (EU) n°330/2010 of April 20, 2010 on the Application of the Treaty on the Functioning of the European Union to categories of vertical agreements and concerted practices, the "General BER") and the corresponding EU Guidelines on Vertical Restraints.

These provisions aim to ensure fair competition in these markets in order to safeguard that original and equivalent spare parts competing with those branded by the light vehicle (referred to as "passenger car" under the New BER) and trucks (referred to as "commercial vehicles" under the New BER) manufacturers have full access to the market.

Pursuant to these rules, agreements relating to the sale or distribution of light vehicle and truck spare parts and repair and maintenance services are exempted from the application of Article 101 (1) of the Treaty on the Functioning of the European Union (the "TFEU"), which prohibits anticompetitive agreements and concerted practices, if they comply with the provisions of both:

- the General BER, which only applies if:
  - both parties have less than 30% of the market share in their respective markets; and
  - the agreement does not contain any of the hardcore restrictions provided in the General BER; and
- the New BER, which implies that:
  - no restriction may be imposed on the business of independent garages by way of a selective distribution system under which a supplier is obligated to sell its goods or services under a contract only to selected distributors on the basis of specific criteria and by committing to not sell such goods or services to non-unauthorized resellers;
  - no limitations may be imposed on any supplier of spare parts to freely sell such goods to independent or authorized distributors or garages or end-users; and
  - no restrictions may be imposed on suppliers of components for the initial assembly of motor vehicles limiting their ability to place their own trademark or logo effectively and easily on the components supplied or on spare parts.
  - Furthermore, the European Commission may declare that both the General BER and the New BER are not applicable where parallel networks with similar competition restraints cover more than 50% of a relevant market.
  - The agreements relating to the sale and distribution of spare parts which do not fulfill the conditions of the General BER and/or of the New BER (which, according to the European Commission, is likely to be the case for most agreements) may nonetheless benefit from an individual exemption if they fulfill the conditions provided in Article 101(3) of the TFEU.

- In this regard, however, notice no. 2010/C 138/05 ("European Commission's Supplementary Guidelines on Vertical Restraints in Agreements for the Sale and Repair of Vehicles and for the Distribution of Replacement Parts for Vehicles"), which provides some guidelines on the application and interpretation of the New BER, further specifies that it is very doubtful that selective distribution agreements that would contain any of the two following restrictions could benefit from an exemption under Article 101(3):

- failure for the motor vehicle manufacturer to provide independent operators (including independent repairers, spare parts manufacturers and distributors, manufacturers of repair equipment or tools, publishers of technical information, automobile clubs, roadside assistance operators, operators offering inspection and testing services, and operators offering training for repairers) with appropriate access to the brand-specific technical information required to perform repair and maintenance work on branded motor vehicles in fair competition with authorized garages and distributors; and

- explicit or implicit reservation of repair services by the supplier to the members of its authorized network only. As Recital 69 of notice no. 2010/C 138/05 clarifies, the legal or extended warranty may not, for example, be conditioned either (i) on the obligation for the end-user to have the repair and maintenance services not covered by the warranty performed by a member of the network or (ii) on the obligation for the end-user to use spare parts branded by the manufacturer in respect of replacements not covered by the warranty.

The foregoing provisions aim essentially to foster access to the repair and maintenance services marketed by independent garages and facilitate the identification of compatible spare parts of alternative suppliers, thereby fostering competition between such articles (known as "equivalent" parts) and those bearing the manufacturer's trademark.

As further specified by the European Commission in notice no. 2010/C 138/05, the New BER also aims to protect access by spare parts suppliers to the motor vehicle aftermarkets, thereby ensuring that competing brands of spare parts continue to be available to both independent and authorized repairers, as well as to parts wholesalers. The European Commission emphasizes that the availability of such spare parts entails significant advantages for consumers especially since there are often large differences in price between parts sold by the manufacturer and alternative parts. In particular, the following may be employed as substitutes for spare parts bearing the manufacturer's trademark: (i) original parts manufactured and distributed by original equipment suppliers; and (ii) replacement parts of "equivalent quality" to the original components. In the same notice, the European Commission specifies that in order to be considered to be of "equivalent quality," spare parts must be "of a sufficiently high quality that their use does not endanger the reputation of the authorized network" that employs them. The European Commission places the burden of proving that a part does not satisfy the requirements for being considered of "equivalent quality" on the vehicle manufacturer.

In France, the New BER, as well as the General BER, are binding and directly applicable. Accordingly, the French courts and Competition Authority assess vertical agreements entered into in the sectors of light vehicle and truck spare parts wholesale and repair and maintenance services in light of these regulations and of the corresponding guidelines.

Inspection

European light vehicle inspections are currently regulated by the Directive of the European Parliament and the Council of Europe dated as of May 6, 2009 ("Directive 2009/40/EC"), as amended, providing for periodic technical inspections of each vehicle matriculated in a Member State.

With regard to light vehicles with fewer than eight seats (excluding the driver's seat) and trucks permitted to operate up to 3.5 tons, Directive 2009/40/EC requires inspections to be made (i) four years after the first utilization and (ii) every two years thereafter. With regard to light vehicles with more than eight seats (excluding the driver's seat), trucks authorized to carry more than 3.5 tons, taxis and ambulances, such controls must be performed within one year from the first utilization and every year thereafter.

In France, the requirements set forth in Directive 2009/40/EC have already been provided for in the French Highway Code since 2004. If vehicles are not inspected when due, pecuniary penalties can be imposed and may be increased for repeated violation or for vehicles on the road that were suspended as a result of the inspection and may entail the confiscation of the vehicle registration certificate (Articles R.323-1 *et seq.* of the French Highway Code).

Protection of design and models for "visible" parts

In the absence of EU harmonization, each Member State remains free to govern the legal protection of designs and models for "visible" parts. In France, according to the French Intellectual Property Code, the distribution of "visible" parts (such as wings, bumpers and windscreens) is protected by industrial design rights. Consequently, only the manufacturer has the right to distribute these parts to various repairers. However, it must be noted that the French Competition Authority has recently recommended the gradual removal of the restriction on the distribution of "visible" spare parts destined for repairs.

Management

Board of directors of the Issuer

The Issuer is a public limited liability company (*société anonyme*) organized and existing under the laws of France. The board of directors of the Issuer currently consists of 14 directors (*administrateurs*). The board of directors of the Issuer determines the Issuer's business strategy and monitors its implementation thereof. Subject to the powers expressly attributed by law to shareholders meetings and within the limits of its corporate purpose, the board of directors of the Issuer reviews all issues concerning the operations of the Issuer and acts on all matters over which it has authority. It also carries out any control and verification that it considers useful.

The following table sets forth the names, ages and positions of the current members of the board of directors of the Issuer.

Name	Age	Position
Olivier Roux	63	Chairman
Martinus Warmerdam	53	Director
Filippo Cardini	44	Director
Karim Saddi	38	Director
Adam McLain	36	Director
Winston Ginsberg	46	Director
Jean-Paul Siney	59	Director
Christophe Gouthière	53	Director
Thierry Talbot	55	Director
Jean-Francois Niort	49	Director
Maud Brown	38	Director
Nicolas Chavanne	37	Director
Stéphane Antiglio	51	Director
Jérémy Parisot	29	Director

Olivier Roux. Mr. Roux was appointed chairman of the board of the Issuer in 2010. Mr. Roux has served as the chairman of the board of Autodistribution S.A. since 2010 and of Top DutchCo since 2013. Mr. Roux has served as the chief executive officer of the Parent Guarantor since 2009. Mr. Roux has extensive experience in the distribution business and has served on the board of numerous companies. Previously, Mr. Roux served as co-chairman of the Rhiag Group from 1998 to 2007. Mr. Roux has also served as chairman of Endeka Ceramics since 2010 and served on the boards of Metzeler Automotive Profiles from 2001 to 2007, EMPE Holding GmbH from 1996 to 2004 and JAC Holding Corporation from 1994 to 2008. Mr. Roux graduated from Ecole Supérieure de Commerce de Rouen, France.

Martinus Warmerdam. Mr. Warmerdam was appointed director of the Issuer in 2009 and director of Top DutchCo in 2007. Mr. Warmerdam has been an independent tax advisor, and a member of the IPO team for the Amsterdam Exchange Index for several companies, including RT Company, DVRG NV and Sarakreek Holding NV, since 2001. Mr. Warmerdam has been employed principally by Andante B.V., a domiciliation and management service provider to TowerBrook in the Netherlands, since 2001. Mr. Warmerdam has been on the boards of Archimica, Passion, Pack2Pack, PolymerLatex, Quattro, Hayfin's Luxco's, Windmill, CapQuest, Poppy, Metallum and AIM Aviation. Mr. Warmerdam holds a degree in fiscal economics from Erasmus University, Rotterdam.

Filippo Cardini. Mr. Cardini was appointed director of the Issuer in 2009. Mr. Cardini has been a managing director, COO and general counsel at TowerBrook since 2005. Previously, Mr. Cardini was a partner, COO and general counsel at Soros Private Equity and prior to that, he was a senior solicitor at the London-based law firm Ashurst in the private equity group in London and Milan. Mr. Cardini focuses on the Italian market and is extensively involved in structuring and executing all of TowerBrook's transactions. Mr. Cardini has served on the board of several holding vehicles related to TowerBrook's portfolio companies GSE, HayFin, Capquest, Monier, Unison and Ladder. Mr. Cardini holds an LLB from Brunel University and completed his Law Society Finals at the College of Law in London.

Karim Saddi. Mr. Saddi was appointed director of the Issuer in 2009. Mr. Saddi has been a managing director at TowerBrook since 2005. Previously, Mr. Saddi was a partner at Soros Private Equity from 2000 to 2005. Mr. Saddi has served on the board of Top DutchCo since 2009 and on several holding vehicles related to TowerBrook's portfolio companies Metallum, GSE, Monier, Phase Eight and Kaporal. Mr. Saddi graduated from Ecole des Hautes Etudes Commerciales (HEC), Paris.

Adam McLain. Mr. McLain was appointed director of the Issuer in January 2014. Mr. McLain has been a managing director and general counsel Europe at TowerBrook since 2011. Previously, Mr. McLain was a European counsel at Sullivan & Cromwell LLP from 2002 to 2011. Mr. McLain has served on the board of Top DutchCo and on the boards of several holding vehicles related to TowerBrook's portfolio companies CapQuest, Volution, AIM Aviation, Metallum, GSE, Phase Eight and Haymarket Financial. Mr. McLain holds a BA from Claremont McKenna College and a JD from University of Pennsylvania Law School.

Winston Ginsberg. Mr. Ginsberg was appointed director of the Issuer in 2009. Mr. Ginsberg has been a managing director at TowerBrook since 2006. Previously, Mr. Ginsberg served as general partner and was co-founder of Elwin Capital Partners from 2000 to 2005. During that time, he was the founder and served as co-chairman of OfficeTiger. Prior to that, Mr. Ginsberg worked at Goldman Sachs in the Principal Investment Area and the Mergers & Acquisitions department. Prior to that, he worked at Lazard Frères & Co in the Mergers & Acquisitions department. Mr. Ginsberg has served on the board of Top DutchCo since 2009 and on the boards of several holding vehicles related to TowerBrook's portfolio companies Monier, Phase Eight and Kaporal. Mr. Ginsberg received a master's from Pembroke College and an MBA from Harvard Business School.

Jean-Paul Siney. Mr. Siney was appointed director of the Issuer in 2010. Mr. Siney has served as chief executive officer of AD Normandie Maine, one of our wholly-owned distributors, since 2004. The Parent Guarantor holds a majority stake in AD Normandie Maine. Mr. Siney also controls SDNF S.A.S., a personal holding of several companies operating in the IAM. Mr. Siney graduated from Ecole Centrale de Lyon and holds a master's in mathematics from University Paris 6.

Christophe Gouthière. Mr. Gouthière was appointed director of the Issuer in 2010. Mr. Gouthière has served as Group chief financial officer since 2010. Previously, Mr. Gouthière served as chief financial officer of Dole Europe, a subsidiary of the Dole group, a leading distributor of fruits and vegetables, from 2001 to 2010. Mr. Gouthière also serves on the board of several subsidiaries of the Group. Mr. Gouthière graduated from Ecole des Hautes Etudes Commerciales (HEC), Paris.

Thierry Talbot. Mr. Talbot was appointed director of the Issuer in 2010. Mr. Talbot has controlled AD Talbot, one of our affiliated independent distributors, since 1989. Mr. Talbot has also controlled SAGA Automobiles, a garage affiliated to Peugeot, since 1991. Previously, Mr. Talbot worked as sales manager of Laboratoires Rivadis from 1983 to 1989. Mr. Talbot has been the president of the UDIAD since 2005. Mr. Talbot graduated from INSEEC Bordeaux, France.

Jean-Francois Niort. Mr. Niort was appointed director of the Issuer in 2010. Mr. Niort controls Niort Frères Distributeurs, which he joined in 1988, and AD Fortia, two of our affiliated independent distributors. Mr. Niort holds a *Diplôme d'études supérieures commerciales et d'administration des entreprises*.

Maud Brown. Mrs. Brown was appointed director of the Issuer in 2009. Mrs. Brown has been a managing director at Investcorp since 2001. Previously, Mrs. Brown worked in the Mergers & Acquisitions departments of Merrill Lynch and Salomon Brothers. Mrs. Brown has served on the board of Top DutchCo and on the boards of Investcorp's portfolio companies Veritext, Polyconcept, Georg Jensen, IPH Group and Avecia. Mrs. Brown holds a master's degree in business law and taxation from University Paris 11 and graduated from Ecole Supérieure de Commerce de Paris (E.S.C.P.).

Nicolas Chavanne. Mr. Chavanne was appointed director of the Issuer in 2011. Mr. Chavanne has been a senior principal at TowerBrook since 2005. Previously, Mr. Chavanne was a member of the Mergers & Acquisitions department of Greenhill in London from 2001 to 2005. Mr. Chavanne has served on the boards of Parts Holdings Management and on several holding vehicles related to TowerBrook's portfolio companies Metallum, Monier and Kaporal. Mr. Chavanne graduated from Ecole Supérieure de Commerce de Paris (E.S.C.P.).

Stéphane Antiglio. Mr. Antiglio was appointed director of the Issuer in 2010. Mr. Antiglio has served as chief executive officer (France) of Autodistribution S.A. since 2010. Previously, Mr. Antiglio served as chief executive officer of Pomona Passion Froid, the fresh and frozen food distribution subsidiary of the Pomona group from 1999 to 2009. Mr. Antiglio graduated from Ecole des Hautes Etudes Commerciales (HEC), Paris.

Jeremy Parisot. Mr. Parisot was appointed director of the Issuer in 2013. Mr. Parisot has been an associate at Investcorp since 2011. Previously, Mr. Parisot was an analyst in Rothschild's industrial and business services in London from 2009 to 2011. Prior to that, Mr. Parisot was an intern at Rothschild from 2008 to 2009. Mr. Parisot has served on the boards of Top DutchCo and Autodistribution S.A. Mr. Parisot holds a master's in International Economics and Finance from the University of Queensland, Australia, and a master's in Engineering from Ecole Centrale de Lyon, France.

Board of managing directors of Top Dutchco

Top DutchCo is a cooperative with excluded liability (*coöperatie met uitgesloten aansprakelijkheid*) incorporated and existing under the laws of the Netherlands. The board of managing directors of Top DutchCo currently consists of twelve directors. The board of managing directors of Top DutchCo manages the business and affairs of Top DutchCo. The board of managing directors may do all lawful acts and things which are not conferred upon or reserved to the members of Top DutchCo by the articles of association (*statuten*), the members' regulations, the members' agreement or mandatory provisions of applicable law.

The following table sets forth the names, ages and positions of the current members of the board of directors of the Issuer.

Name	Age	Position
Martinus Warmerdam	53	Director
Winston Ginsberg	46	Director
Karim Saddi	38	Director
Gerhard Siekmann	63	Director
Olivier Roux	63	Director
Alain Redheuil	65	Director
Bruno Tiphine	61	Director
Christophe Gouthière	54	Director
Maud Brown	38	Director
Stéphane Antiglio	51	Director
Adam McLain	36	Director
Jérémy Parisot	29	Director

Gerhard Siekmann. Mr. Siekmann was appointed director of Top DutchCo in 2009. Mr. Siekmann served as chairman of Top DutchCo from 2009 to 2013. Previously, Mr. Siekmann served as co-chairman of the Rhiag Group from 1998 to 2007. Mr. Siekmann also served as chairman of the board of Polymer Latex AD. Mr. Siekmann graduated from University of Bochum, Germany and from the University of Brighton, England.

Alain Redheuil. Mr. Redheuil was appointed director of Top DutchCo in 2009. Previously, Mr. Redheuil served as chairman of Autodistribution S.A. from 2006 to 2009 and served on the board of directors of Autodistribution S.A. from 2002 to 2009. Mr. Redheuil controls the companies Redman Holding and Redheuil & Associés. Mr. Redheuil holds a master's in economic sciences from the University of Poitiers and a PhD in economic sciences from the University of Rennes.

Bruno Tiphine. Mr. Tiphine was appointed director of Top DutchCo in 2009. Mr. Tiphine has worked as head of business development for Top DutchCo for the last five years. Previously, Mr. Tiphine worked for the Rhiag Group, Metzeler and the Coca-Cola Company. Mr. Tiphine graduated from Institut d'Etudes Politiques of Paris, has a PhD in economics from Sorbonne University and was a visiting fellow at Harvard University.

Key members of management

The Group is managed by a management team. The current management team consists of three key members, each of whom oversees a specific aspect of our business. The following table sets forth the names, ages and positions of the current key members of our management team.

Name	Age	Position
Olivier Roux	63	Chairman
Stéphane Antiglio	51	Chief Executive Officer (France)
Christophe Gouthière	53	Group Chief Financial Officer

Compensation of directors and members of management

The aggregate salary and fees, performance-related remuneration and bonuses, pension contributions and other benefits in kind, such as company light vehicles and mobile phones, paid to our management, including the members of the executive committee, directors, area managers and general brand managers, was €12.0 million for the year ended December 31, 2012, excluding severance and other transition payments to directors and management that have left us during such period.

Management employment agreements

Our management is compensated with a fixed annual salary and an annual bonus. The annual bonus is typically determined based on certain defined objectives (both individually and Group-wide)

Share ownership

Certain members of the board of directors of the Issuer and Top DutchCo and management own, directly or indirectly, membership entitlements in Top DutchCo. See "*Principal shareholders*."

Principal shareholders

As of the date of this Offering Memorandum, the issued share capital of the Issuer consists of 5,420,843,073 ordinary shares with a total par value of €54,208,430.73. All the issued share capital of the Issuer is held by the Parent Guarantor (ignoring any de minimis shareholdings), a private limited liability company (*société par actions simplifée*) organized and existing under the laws of France and a wholly-owned subsidiary of DutchCo, a private liability limited company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated and existing under the laws of the Netherlands. The issued share capital of DutchCo is held by Top DutchCo, a cooperative with excluded liability (*coöperatie met uitgesloten aansprakelijkheid*), incorporated and existing under the laws of the Netherlands.

Ownership in Top DutchCo

Top DutchCo has ten classes of membership entitlements, designated as A1, A2, B1, B2, C1, C2, C3 and D1, D2 and D3 entitlements. TowerBrook holds A membership entitlements, Investcorp holds B membership entitlements, former lenders and UDIAD hold C membership entitlements and members of our management team hold, directly or indirectly, D membership entitlements. The series 1 entitlements are effectively equity, commercially equivalent to interest free shareholder loans, which will be repaid in their entirety pursuant to the Refinancing. The series 1 entitlements will remain outstanding but will not be entitled to any further distributions from Top DutchCo once repaid. The series 2 and C3 entitlements are common equity, and the series D3 entitlements are incentive equity, subject to a 10% hurdle. None of the entitlements carries any voting rights. For any matter to be voted upon by the members of Top DutchCo, each member thereof has one vote by virtue of its membership. Also, TowerBrook is entitled to cast 86,000 additional votes in respect of any matter voted upon by the members, while Investcorp is entitled to cast 24,000 additional votes. Lastly, certain material decisions of the members require the consent of Investcorp. Accordingly, TowerBrook holds sufficient votes to control all decisions of the members, save for certain statutory matters and those decisions which require Investcorp's consent.

The following table sets forth the percentage owned by each holder of membership entitlements in Top DutchCo as of date of this Offering Memorandum:

	TowerBrook(1)	Investcorp(2)	Management(3)	UDIAD(4)	Lenders(5)	Total(6)
Total	**63.4%**	**18.0%**	**8.8%**	**3.4%**	**6.4%**	**100%**

(1) TowerBrook Investors III, L.P., TowerBrook Investors III Executive Fund, L.P. and TowerBrook Investors III (Parallel), L.P., investment vehicles for TowerBrook, hold membership entitlements, directly and indirectly, in Top DutchCo.

(2) New Parts Holdings Limited, Investcorp Investment Holdings Limited, Parts Investments S.à r.l., and Parts Holdings S.à r.l., investment vehicles for Investcorp, hold membership entitlements, directly and indirectly, in Top DutchCo.

(3) Current and former members of our management hold membership entitlements, directly and indirectly, in Top DutchCo. No member of management individually or together with such member of management's immediate family members or personal trust beneficially holds more than 5% of the membership entitlements of Top DutchCo.

(4) Represents several members of the "Union of Independent Distributors in Autodistribution" who hold membership interests, through UDIAD Actions I B.V., in Top DutchCo.

(5) Several former lenders hold membership interests in Top DutchCo, pursuant to a debt-for-equity swap, in accordance with the restructuring agreement relating to the Parent Guarantor and the Issuer, dated as of February 26, 2009.

Members' Agreement

On April 21, 2009, in connection with the financial restructuring of the Group pursuant to the French safeguard proceedings (*procédure de sauvegarde*) (i) Top DutchCo, (ii) TowerBrook, (iii) Investcorp and (iv) a number of the Group's former lenders and certain managers entered into a members agreement (the "Members' Agreement"), setting forth the parties' respective economic and governance rights as equityholders following the restructuring. The Members Agreement was subsequently amended on September 23, 2009, and on December 9, 2010.

The Members Agreement contains provisions, among other things, concerning: (i) the governance of Top DutchCo and its subsidiaries by Top DutchCo members and by Top DutchCo's board of managing directors; (ii) transfers of entitlements and other debt and equity securities of Top DutchCo; (iii) rights of first offer in respect of certain such transfers; (iv) tag-along rights in the event of a transfer of securities by TowerBrook or Investcorp; (v) drag-along rights in the event of a transfer by TowerBrook of securities including 50.1% or more of the outstanding membership entitlements in Top DutchCo; (vi) the cooperation of the parties in respect of any public offering or solvent reorganization; (vii) allocations of profits and losses among the various classes of entitlements; and (viii) issuances of new securities by Top DutchCo or its subsidiaries.

The board of directors of Top DutchCo is appointed as follows:

- TowerBrook is entitled to appoint up to four A directors;
- Investcorp is entitled to appoint up to two B directors;
- the members by majority vote are entitled to appoint up to six general directors; and
- the members by majority vote are entitled to appoint up to two independent directors who are not affiliated with TowerBrook or Investcorp.

For board matters, each A director holds three votes and each other director holds one vote. Lastly, certain material decisions of the board require the consent of the B directors. Accordingly, TowerBrook's representatives on the board hold sufficient votes to control all decisions of the board, save for those decisions which require the consent of Investcorp's representatives.

Certain relationships and related party transactions

Contracts with affiliated independent distributors and affiliated garages

We regularly enter into commercial contracts with affiliated independent distributors and affiliated garages, some of which are owned by certain members of the board of directors of the Issuer.

Consulting services agreement

Upon the completion of the Refinancing, we may enter into a services agreement with TowerBrook. Under the terms of the Notes, we will be permitted to pay a services fee of up to €1.25 million a year to TowerBrook and Investcorp for (i) general executive services; (ii) analysis of financing alternatives; (iii) finance functions, including assistance in the preparation of financial projections, and the monitoring of compliance with financing agreements; (iv) improving our financial reporting systems; (v) marketing functions, including the monitoring of marketing plans and strategies; (vi) operations project management; (vii) strategic advice with respect to our business, including identifying key strategic business initiatives; (viii) optimizing our capital structure; (ix) human resource functions, including searching for and hiring executives; and (x) other services to us and our affiliates or their respective subsidiaries.

Management services agreements

Three members of the board of directors of either Top DutchCo or the Issuer, including our Chairman, receive compensation for their services to us through Talisman Management Limited, a consulting company co-founded by our Chairman. Talisman Management Limited has provided consultancy and management services to us under management services agreements between Talisman Management Limited and the Parent Guarantor.

Share ownership

We are a party to the Members' Agreement described in "*Principal shareholders—Members' Agreement*." Following the Refinancing, members of our management team will hold 8.8% of the membership entitlements of Top DutchCo.

Description of certain financing arrangements

Revolving Credit Facility Agreement

Overview and structure

In connection with this Offering, the Issuer and the Guarantors expect to enter into the Revolving Credit Facility Agreement on or prior to the Issue Date, with J.P. Morgan Limited as arranger (the "Arranger"), J.P. Morgan Europe Limited as agent (the "Agent"), and the financial institutions named therein as original lenders.

The Revolving Credit Facility Agreement provides for borrowings up to an aggregate principal amount of €20 million on a committed basis. The Revolving Credit Facility may be utilized by any current or future borrower under the Revolving Credit Facility in euro, pounds sterling and U.S. dollars and any other currency approved by the lenders by the drawing of cash advances, the issuance of bank guarantees and letters of credit and by way of ancillary facilities. Subject to certain exceptions, amounts may be borrowed, repaid and reborrowed at any time. Borrowings will be available for general corporate and working capital purposes of the Issuer and its Restricted Subsidiaries and, without prejudice to the generality of the foregoing, for capital expenditure, acquisitions (other than the Contemplated ACR Acquisition) and investments not prohibited under the Revolving Credit Facility Agreement and/or certain transaction costs but excluding repurchases of the Notes, Pari Passu Debt (as defined in the Intercreditor Agreement) or Credit Facility Liabilites (as defined in the Intercreditor Agreement) (or, in each case, any refinancing thereof) and payments to shareholders that are not permitted under the terms of the Notes.

In addition, subject to certain conditions, the total commitments under the Revolving Credit Facility may be increased at any time up to an amount which together with the commitments to the Revolving Credit Facility would not exceed the basket for permitted credit facilities under the Indenture.

Availability

The Revolving Credit Facility may, subject to the satisfaction of customary conditions precedent, be utilized from the Issue Date until the date falling one month prior to the termination date of the Revolving Credit Facility.

Borrowers and Guarantors

The Issuer is an original borrower under the Revolving Credit Facility. The Revolving Credit Facility is guaranteed by the Issuer and the Guarantors. A mechanism is included in the Revolving Credit Facility Agreement to enable any of the Issuer's Restricted Subsidiaries in France and the Netherlands to accede as a borrower under the Revolving Credit Facility subject to certain conditions.

Maturity and repayment requirements

The Revolving Credit Facility will mature in 2018.

Each advance will be repaid on the last day of the interest period relating thereto, subject to a netting mechanism against amounts to be drawn on such date. All outstanding amounts under the Revolving Credit Facility must be repaid in full on or prior to the maturity date for the Revolving Credit Facility.

Interest rate and fees

The interest rate on cash advances under the Revolving Credit Facility will be the rate per annum equal to the aggregate of the applicable margin, LIBOR or EURIBOR (as applicable) and mandatory costs (if any). The margin under the Revolving Credit Facility will initially be 3.50% for the first twelve months from the Issue Date. However, after this time, the margin on the loans is subject to a ratchet whereby it can be reduced or increased if the Consolidated Total Net Debt to Consolidated Pro-Forma EBITDA is (i) greater than 3.00:1 (in which case the margin shall be 3.50%, (ii) equal to or less than 3.00:1 but greater than 2.50:1 (in which case the margin shall be 3.25%) and (iii) equal to or less than 2.50:1 (in which case the margin shall be 3.00%).

A commitment fee will be payable on the aggregate undrawn and uncancelled amount of the Revolving Credit Facility from (and excluding) the Issue Date to (and including) the last day of the availability period for the Revolving Credit Facility. The commitment fee will be payable quarterly in arrears, on the last day of the availability period of the Revolving Credit Facility and on the date the Revolving Credit Facility is cancelled in full or on the date on which a lender cancels its commitment. No commitment fee shall be payable unless the Issue Date occurs.

Default interest will be calculated as an additional 1% on the overdue amount.

The Issuer is also required to pay customary agency fees to the Agent and the Security Agent in connection with the Revolving Credit Facility Agreement and/or the Intercreditor Agreement and fronting fees to the issuing bank under the Revolving Credit Facility Agreement and letter of credit fees to the Lenders in an amount equal to the margin of the Revolving Credit Facility with respect to an issuance of letters of credit.

Guarantees

Each guarantor under the Revolving Credit Facility Agreement will provide a senior guarantee of all amounts payable to the finance parties by each other obligor (including any additional borrowers which accede to the Revolving Credit Facility Agreement) (subject to the limitations described in "*Limitations on validity and enforceability of the Guarantees and the security interests*").

Security

The Revolving Credit Facility will be secured by the Collateral. In addition, the Revolving Credit Facility will benefit from guarantees and security, in addition to the Collateral, which does not guarantee or secure the Notes.

Under the terms of the Intercreditor Agreement, proceeds from the enforcement of the Collateral (whether or not shared with the holders of the Notes) will be required to be applied to repay indebtedness outstanding under the Revolving Credit Facility in priority to the Notes.

Representations and warranties

The Revolving Credit Facility Agreement contains certain customary representations and warranties, subject to certain customary materiality, actual knowledge and other qualifications, exceptions and baskets, and with certain representations and warranties being repeated, including: (i) status and due incorporation; (ii) power and authority; (iii) legal valid and binding documentation; (iv) no conflict; (v) the validity and admissibility in evidence; (vi) governing law and enforcement; (vii) insolvency; (viii) no filing or stamp taxes; (ix) taxes; (x) no default; (xi) the accuracy of financial information and financial statements; (xii) no litigation; (xiii) compliance with environmental laws; (xiv) no encumbrances, guarantees or indebtedness (other than as permitted); (xv) ranking; (xvi) legal and beneficial ownership; (xvii) intellectual property; (xviii) the accuracy of the Group structure; (xix) holding companies activities; (xx) pensions; (xxi) center of main interests and (xxii) money laundering and sanctions, in each case subject to exceptions and materiality thresholds.

Covenants

The Revolving Credit Facility Agreement contains certain of the same incurrence covenants and related definitions (with certain adjustments) that apply to the Notes. In addition, the Revolving Credit Facility also contains certain affirmative and negative covenants and a financial covenant. Set forth below is a brief description of such covenants, all of which are subject to customary materiality, actual knowledge and other qualifications, exceptions and baskets.

Notes purchase condition

The Revolving Credit Facility requires that if more than 50% of the face value of the Notes and any other note indebtedness are repurchased prior to their scheduled repayment date, the Revolving Credit Facility will be (subject to certain exceptions) permanently cancelled and repaid on a matching pro rata basis.

Additional covenants

The additional covenants include, among others: (i) providing certain financial information, including annual audited, quarterly and monthly financial statements, compliance certificates and an annual budget and, upon request, information relating to the financial condition of the Group and/or any member of the Group; (ii) authorizations; (iii) compliance with laws and regulations; (iv) no default; (v) the payment of taxes; (vi) the preservation of assets; (vii) FATCA; (viii) anti-corruption; (ix) the maintenance of Guarantor and Security Coverage Test; (x) OFAC sanctions; (xi) further assurance; (xii) holdco covenants; (xiii) change of business; and (xiv) no change of COMI, in each case subject to exceptions and materiality thresholds.

Covenant suspension

The provision for suspension of certain covenants upon the Notes achieving investment-grade status as set forth in the "*Description of Senior Secured Notes*," shall also apply equally to the Revolving Credit Facility.

Mandatory prepayment requirements upon a change of control or a sale

Upon a sale of all or substantially all assets of the Group or an Adverse Corporate Decision (as defined in the Revolving Credit Facility Agreement) the facilities under the Revolving Credit Facility Agreement will be cancelled and all outstanding utilizations and all outstanding amounts under any ancillary facility, together with accrued interest, and all other amounts accrued under the Finance Documents (as defined in the Revolving Credit Facility Agreement) shall become immediately due and payable and shall be repaid within three business days of such date.

Upon a Change of Control (as defined in the Revolving Credit Facility Agreement) the lenders shall not be obligated to fund utilizations (other than rollover loans) and if a lender requests and gives notice to the Agent, within 60 days of such Change of Control, that its commitments be cancelled the Agent shall promptly notify the Parent, within five Business Days from such notice, that such lender shall be required to be prepaid or replaced.

An Adverse Corporate Decision means any approval by the relevant corporate bodies of a holdco or the Parent Guarantor of a resolution which results in: (i) any amendment to the majority rules applicable to the appointment or revocation of (a) the management of the Parent Guarantor or French Holdco (as defined in the Revolving Facility Agreement) which would have the direct or indirect effect of Dutch Holdco (as defined in the Revolving Facility Agreement) (and/or Top Dutchco) losing the right to appoint or revoke the management of the Parent Guarantor or the Issuer acting solely or (b) DutchCo's management which would have the direct or indirect effect of Top Dutchco losing the right to appoint or revoke the management of DutchCo acting solely; (ii) any change to the corporate form or nationality of each of the Parent Guarantor or a holdco (other than changes of corporate form contemplated under the Revolving Credit Facility Agreement); (iii) any written statement by Top Dutchco and or DutchCo affirming or asserting that its "centre of main interests" within the meaning of the Regulation is not in the Netherlands, or any decision by a court of law that such "centre of main interests" is not in the Netherlands; (iv) any change of the registered office of any holdco or the Issuer (to the extent that the jurisdiction (*Etat*) in which is situated the competent court for any bankruptcy proceedings in respect of it would cease to be the same); (v) any change of the registered office (*statutaire zetel*), offices (*kantoor*) or principal place of business of Top Dutchco or DutchCo to any jurisdiction other than the Netherlands; or (vi) any merger or liquidation involving either the Issuer and/or any holdco, in each case, unless made with the prior written consent of the Agent acting upon instructions of the majority lenders.

Financial covenant

Under the Revolving Credit Facility, we are required to comply with a Minimum EBITDA covenant set at 45% headroom over the projected EBITDA as of the Issue Date with a mechanism that adjusts this amount to reflect the closing of the Contemplated ACR Acquisition to the extent that transaction completes by May 31, 2014. The financial covenant will be calculated and tested on the second quarter following the Issuer Date and thereafter quarterly, provided that the failure to satisfy such covenant when the Revolving Credit Facility is not drawn or outstanding shall not be deemed to constitute or result in a Default or an Event of Default or a breach of the Revolving Credit Facility Agreement.

To the extent that the Issuer is in breach of the Minimum EBITDA covenant, subject to certain limitations as more fully detailed in the Revolving Credit Facility Agreement, the Issuer may cure the covenant breach, by giving notice within five business days of delivery of a compliance certificate for that relevant period of a new shareholder injection or a subordinated shareholder loan by the date falling no later than 15 business days after such notice, and by paying down to zero the outstanding utilizations under the Revolving Credit Facility.

Events of default

The Revolving Credit Facility Agreement provides for the same events of default (with certain adjustments as necessary) as under the Notes.

In addition, the Revolving Credit Facility provides for customary events of default, all of which are subject to customary materiality, actual knowledge and other qualifications, exceptions, baskets and/or grace periods, as appropriate, including: (i) breach of financial covenant (subject to certain equity cure rights); (ii) misrepresentations; (iii) cross-default to any Indebtedness above €10 million; (iv) repudiation and rescission of finance documents; (v) unlawfulness; (vi) breach of the Intercreditor Agreement; (vii) nonpayment default; (viii) compulsory acquisition; (ix) cessation of business; (x) auditor's qualification; and (xi) a Guarantor breach of any of its obligations under any Finance Document (as defined in the Revolving Credit Facility Agreement).

Governing law

The Revolving Credit Facility Agreement and any non-contractual obligation arising out of or in connection with it will be governed by and construed and enforced in accordance with English law although the restrictive covenants, which are included in the Revolving Credit Facility Agreement, will be interpreted in accordance with New York law (without prejudice to the fact that the Revolving Credit Facility Agreement is governed by, and shall be governed by, English law).

Intercreditor Agreement

In connection with the entry into the Revolving Credit Facility and the Indenture, the Issuer, the direct shareholder of the Issuer, the Guarantors and certain other subsidiaries of the Issuer will enter into the Intercreditor Agreement to govern the relationships and relative priorities among: (i) the lenders under the Revolving Credit Facility; (ii) any persons who accede to the Intercreditor Agreement as counterparties to certain hedging agreements (collectively, the "Hedging Agreement"; the liabilities under such Hedging Agreements, the "Hedging Liabilities"; and any persons that accede to the Intercreditor Agreement as counterparties to such Hedging Agreements being referred to in such capacity as the "Hedge Counterparties"); (iii) the Trustee, on its own behalf and on behalf of the holders of the Notes (for the purpose of this "*Description of certain financing arrangements*," the "Notes") (the "Noteholders") (the "Notes Trustee"); (iv) the intragroup creditors and debtors; and (v) certain direct or indirect shareholders of the Issuer in respect of certain structural debt that the Issuer or another member of the Group has incurred or may incur in the future (including any subordinated shareholder loans).

- In this description, "Group" refers to the Issuer and each of its subsidiaries.
- Each member of the Group that incurs any liability or provides any guarantee under the Revolving Credit Facility, in respect of the Notes or under any other Debt Document (as defined in "*—Further security and incremental borrowings*") is referred to as a "Debtor" and are collectively referred to as the "Debtors."

The Intercreditor Agreement will set forth:

- the relative ranking of certain indebtedness of the Debtors;
- the relative ranking of certain security granted by the Debtors;
- when payments can be made in respect of certain indebtedness of the Debtors;
- when enforcement actions can be taken in respect of that indebtedness;
- the terms pursuant to which that indebtedness will be subordinated upon the occurrence of certain insolvency events;

- turnover provisions; and
- when security and guarantees will be released to permit a sale of any assets subject to transaction security (such assets, the "Collateral"; such security, the "Transaction Security"; and the documents constituting such Transaction Security, the "Transaction Security Documents").

The Intercreditor Agreement will contain provisions relating to future indebtedness that may be incurred by the members of the Group, which is permitted or not prohibited under the Credit Facility Documents (as defined below), the Notes Documents (as defined below), any Pari Passu Debt Document (as defined below) and any Senior Unsecured Notes Document (as defined below) to rank *pari passu* in right of payment with the liabilities under the Revolving Credit Facility Agreement, the liabilities under the Indenture (for the purposes of this section, the "Notes Indenture" and any existing Pari Passu Liabilities (as defined below), then existing or, to the extent not permitted under any Finance Document, with the consent of the relevant Creditor Representatives (as defined below) under each such document (acting on the instructions of the requisite level of creditors under such documents) and to be secured on the Collateral, subject to the terms of the Intercreditor Agreement (such indebtedness being the "Pari Passu Debt"; the creditors in respect of such indebtedness being the "Pari Passu Creditors"; the liabilities of the Debtors in respect of such indebtedness being the "Pari Passu Liabilities"; and the documents creating or evidencing the Pari Passu Liabilities, the "Pari Passu Debt Documents").

The Intercreditor Agreement will also include provisions relating to future indebtedness in the form of senior unsecured notes (such indebtedness being "Senior Unsecured Notes," the liabilities of the Debtors in respect of such indebtedness being "Senior Unsecured Notes Liabilities" and documents creating or evidencing the Senior Unsecured Notes Liabilities, the "Senior Unsecured Notes Documents") that may be incurred by a special purpose entity which is wholly-owned directly or indirectly by the Investors (as defined in the Intercreditor Agreement) (other than the Issuer) and is neither a member of the Group nor a subsidiary of the Issuer (such entity, the "Senior Unsecured Notes Issuer") and provisions relating to the liabilities in respect of guarantees granted by each guarantor of the Senior Unsecured Notes (the "Senior Unsecured Notes Guarantee Liabilities"), that is permitted or not prohibited under the Credit Facility Documents, the Notes Documents, any existing Pari Passu Debt Document and any existing Senior Unsecured Note Document to rank equally with any existing Senior Unsecured Notes Liabilities, subject to the terms of the Intercreditor Agreement (the creditors in respect of such indebtedness being the "Senior Unsecured Notes Creditors".

The Intercreditor Agreement will also provide for any credit facility constituting a "Credit Facility" under the Notes Indenture, the creditors of which are entitled under the terms of the Notes Documents, any existing Pari Passu Debt Document and any existing Senior Unsecured Notes Document to receive priority in respect of the proceeds of the enforcement against the Collateral (each such facility being a "Credit Facility" and, together with the Revolving Credit Facility, the "Credit Facilities" and each finance document relating thereto (but excluding any Hedging Agreement), a "Credit Facility Document"). Each lender under a Credit Facility is a "Credit Facility Lender" and excluding any Hedging Liabilities, the liabilities of the Debtors to the Credit Facility Lenders are referred to as the "Credit Facility Lender Liabilities."

Unless expressly stated otherwise in the Intercreditor Agreement, in the event of a conflict between the terms of a Debt Document and the Intercreditor Agreement, the provisions of the Intercreditor Agreement will prevail.

By purchasing a Note, Noteholders shall be deemed to have agreed to, and accepted the terms and conditions of, the Intercreditor Agreement and to have authorized the Notes Trustee and the Senior Unsecured Notes Trustee to enter into the Intercreditor Agreement on their behalf.

The following description is a summary of certain provisions in the Intercreditor Agreement. It does not restate the Intercreditor Agreement in its entirety.

Ranking and priority

The Intercreditor Agreement will provide, subject to the provisions in respect of permitted payments described below, that (i) the Credit Facility Lender Liabilities; (ii) the liabilities of the Debtors with respect to Hedging Agreements entered into in relation to interest rate hedging in respect of (1) any Credit Facility, the Notes or any Senior Unsecured Notes or (2) in respect of Pari Passu Debt (the "Super Senior Hedging Liabilities" and, together with the Credit Facility Lender Liabilities and the Creditor Representative Liabilities owed to the Credit Facility Agent, the "Super Senior Liabilities" and the creditors of the Super Senior Liabilities, the "Super Senior Creditors"); (iii) the liabilities of the Debtors with respect to Hedging Agreements entered into in relation to foreign currency hedging in respect of (1) any Credit Facility, the Notes or the Senior Unsecured Notes or (2) in respect of Pari Passu Debt (the "Non-Super Senior Hedging Liabilities" and the creditors of the Non-Super Hedging Liabilities, the "Non-Super Senior Hedge Counterparties"); (iv) the liabilities of the Issuer and the Debtors in respect of the Notes (the "Notes Liabilities"); (v) the Pari Passu Liabilities (together with the Notes Liabilities and the Non-Super Senior Hedging Liabilities, the "Senior Secured Liabilities", and the creditors of the Senior Secured Liabilities, the "Senior Secured Creditors"); (vi) the liabilities of the Issuer and the Debtors in respect of the Senior Unsecured Notes (the "Senior Unsecured Notes Liabilities") and (vii) certain other unsecured liabilities, will rank in right and priority of payment in the following order:

- *first*, the Super Senior Liabilities, the liabilities of any Debtor to an arranger under the Revolving Credit Facility (the "Arranger Liabilities"), the Senior Secured Liabilities and the liabilities of the Security Agent (the "Security Agent Liabilities") will rank *pari passu* and without any preference between them;
- *second*, the Senior Unsecured Notes Guarantee Liabilities will rank *pari passu* and without any preference between them.

The intercompany obligations (the "Intra Group Liabilities" and the documents creating or evidencing such Intra Group Liabilities being "Intra Group Debt Documents") of any member of the Group to any other member of the Group (each an "Intra Group Lender" and collectively the "Intra Group Lenders") are postponed and subordinated to the Liabilities owed by the Debtors to the Primary Creditors. The liabilities owed by any Debtor to any shareholder, direct or indirect, of the Issuer (or any holding company or subsidiary of the Issuer or any other subsidiary of any such holding company that is not a member of the Group) and any of their respective transferees or successors (the "Shareholder Liabilities" and the documents creating or evidencing such Shareholder Liabilities being "Shareholder Debt Documents") are postponed and subordinated to the Liabilities owed by the Debtors to the Primary Creditors.

In this section the Shareholder Liabilities and the Intra Group Liabilities are together referred to as the "Subordinated Liabilities."

The parties to the Intercreditor Agreement will agree in the Intercreditor Agreement that the Transaction Security ranks and secures the following liabilities in the following order:

- *first*, the Super Senior Liabilities, the Arranger Liabilities and the Senior Secured Liabilities will rank and secure such liabilities first, *pari passu* and without any preference between them; and
- *second* (to the extent only of any SUN Shared Security (as defined below), the Senior Unsecured Notes Liabilities.

The Senior Unsecured Liabilities and the Subordinated Liabilities will not be secured by any of the Transaction Security unless permitted by the Credit Facility Documents, the Notes Documents and any Pari Passu Debt Documents. Notwithstanding the foregoing, the Senior Unsecured Notes Liabilities shall be secured by the SUN Shared Security if any (being the security granted in favor of the Security Agent over the shares, loans, bonds or other equity or debt instruments issued by the Issuer to the Parent Guarantor or any holding company of the relevant Subordinated Notes Issuer which is a holding company of the Parent Guarantor). The Senior Unsecured Notes Liabilities are senior obligations of the Senior Unsecured Notes Issuer. Until the Senior Secured Debt Discharge Date, the Senior Unsecured Notes Creditors may not take any steps to appropriate the assets of the Senior Unsecured Notes Issuer in connection with any enforcement action other than as expressly permitted by the Intercreditor Agreement.

Under the Intercreditor Agreement, all Proceeds from Enforcement of the Collateral and certain other recoveries will be applied as provided under "*—Application of proceeds from enforcement of Transaction Security*."

Further security and incremental borrowings

The creditors in respect of the Super Senior Liabilities and the Senior Secured Liabilities (the Super Senior Liabilities, the liabilities owed to Creditor Representatives (as defined herein, other than in paragraph (f) of that definition), the Senior Secured Liabilities and the Arranger Liabilities, together, the "Secured Liabilities," and the creditors thereof, the "Secured Parties" and the documents evidencing the Secured Liabilities, the "Secured Debt Documents") may take, accept or receive the benefit of additional security and additional guarantees, indemnities or other assurance against loss from any member of the Group in respect of the Secured Liabilities, provided that, if and to the extent legally possible, such security, guarantee, indemnity or other assurance against loss is also granted to the Security Agent as agent and trustee of the other Secured Parties. Any such additional security, guarantee, indemnity or other assurance against loss will rank in the same order of priority as referred to above and the proceeds of the enforcement of any such security will be applied as provided under "*—Application of proceeds from enforcement of Transaction Security*."

The Intercreditor Agreement will contemplate the Debtors (or any of them): (i) incurring incremental borrowing liabilities and/or guarantee liabilities under; or (ii) refinancing the borrowing liabilities incurred under the documents creating or evidencing indebtedness under or in respect of any Credit Facility, the Notes, the Senior Unsecured Notes, the Hedging Liabilities, the Pari Passu Debt or the Subordinated Liabilities (such documents or instruments together with Transaction Security Documents, the Shareholder Debt Documents and the Intra Group Debt Documents being referred to collectively as the "Debt Documents") and/or incurring guarantee liabilities in respect of any indebtedness incurred in connection with any such refinancing (such incremental borrowing liabilities, refinancing liabilities and/or guarantee liabilities being referred to as "Additional Indebtedness") which in any such case are intended to rank *pari passu* with and/or share *pari passu* in any Transaction Security with any existing liabilities and/or to rank behind any existing liabilities and/or to share in the Transaction Security behind such existing liabilities. The Secured Parties and the creditors in respect of the Subordinated Liabilities (the "Subordinated Creditors" and, collectively with the Secured Parties and the Senior Unsecured Notes Creditors, the "Creditors" and each a "Creditor") will confirm in the Intercreditor Agreement that, provided such financing or refinancing and such ranking and such security is permitted or not prohibited under the terms of the Debt Documents, they will (at the Debtors' cost) enter into such documentation as may be necessary (including entering into a new intercreditor agreement on substantially the same terms as the Intercreditor Agreement) to ensure that the Additional Indebtedness (and the liabilities and obligations of the Debtors in respect of such Additional Indebtedness) will have the ranking permitted to be conferred upon it in accordance with the terms of the Debt Documents, provided that such documentation does not in any significant respect have a material adverse effect on the interests of any of the Secured Parties.

Security: Pari Passu Creditors

The Pari Passu Creditors may take, accept or receive the benefit of:

(a) security in respect of the Pari Passu Liabilities in addition to the Transaction Security if, at the same time, it is also granted either:

  (i) to the Security Agent as trustee for the other Secured Parties in respect of their secured obligations;

(ii) in the case of any jurisdiction in which effective security cannot be granted in favor of the Security Agent as trustee for the Secured Parties:

A. to the other Secured Parties in respect of their secured obligations; or

B. to the Security Agent under a parallel debt structure for the benefit of the other Secured Parties; or

(iii) in the case of any security granted after the date of the Intercreditor Agreement, to some of the Secured Parties provided that such security is incremental to the Transaction Security that has already been granted in favor of all other Secured Parties and any proceeds derived from the enforcement of such security will be shared with the Secured Parties in accordance with the payment waterfalls set forth in "*—Application of proceeds from enforcement of Transaction Security*."

and ranks in the same order of priority as that contemplated in "*—Ranking and priority*"; and

(b) any guarantee, indemnity or other assurance against loss in respect of the Pari Passu Liabilities in addition to those in:

(i) the original form of the Pari Passu Debt Documents;

(ii) the Intercreditor Agreement; or

(iii) any guarantee, indemnity or other assurance against loss given for the benefit of all the Secured Parties in respect of their Secured Liabilities;

only if, in each case (1) the grant of such security or the giving of such guarantee, indemnity or other assurance against loss is permitted by the documents or instruments creating or evidencing the Notes Liabilities (the "Notes Documents") and the Credit Facility Documents and (2) at the same time, it is also granted to the Credit Facility Lenders and granted to the other Secured Parties in respect of their respective Secured Liabilities and ranks in the same order of priority as that contemplated in "*—Ranking and priority.*"

Permitted Payments

The Intercreditor Agreement will permit, prior to the occurrence of an acceleration event in respect of a Credit Facility, the Pari Passu Liabilities and the Notes Liabilities (a "Secured Debt Acceleration Event"), payments to be made by the Debtors under the Revolving Credit Facility, the Notes Documents and Pari Passu Debt Documents, in each case in accordance with the terms of the relevant Credit Facility Agreement, Notes Documents and the Pari Passu Debt Documents, but subject to: (i) in the case of payments in respect of the Notes, compliance with the Notes Purchase condition described under "*—Revolving Credit Facility—Notes purchase condition*"; (ii) in the case of payments in respect of the Pari Passu Liabilities, any restrictions under the Credit Facilities, the Notes Documents and any Pari Passu Debt Documents then outstanding. Following the occurrence of a Secured Debt Acceleration Event, subject to certain exceptions, payments can only be made by the Debtors applying the amounts received by the relevant Debtor under the process described under "*—Application of proceeds from enforcement of Transaction Security*." The restriction in the foregoing sentence shall not apply (i) where, provided that the Majority Super Senior Creditors constitute the Instructing Group in accordance with "*—Enforcement decision*," a payment block suspension notice has been delivered by the Credit Facility Agent to the Security Agent in accordance with the terms of the Intercreditor Agreement or (ii) to the extent that such Secured Debt Acceleration Event has subsequently been cancelled and/or irrevocably revoked in writing by each relevant Creditor Representative.

The Intercreditor Agreement will also permit payments in respect of Senior Unsecured Notes Guarantee Liabilities prior to the Secured Debt Discharge Date (as defined below) to be made by the Debtors under the Senior Unsecured Notes Documents including if (a) (i) the payment is of any principal amount of the Senior Unsecured Notes Liabilities or the Senior Unsecured Notes Issuer Liabilities which is either not prohibited from being paid by the Credit Facility, the Notes Document and any Pari Passu Debt Document or is paid on or after the final maturity date of the Senior Unsecured Notes Liabilities (provided that such maturity date is a date not earlier than one year after the originally scheduled maturity date of the Notes and Termination Date (as defined in the Credit Facility Documents) at the time of issuance of such Senior Unsecured Notes or is a payment of any amount which is not an amount of principal or capitalized interest or a corresponding amount under the relevant proceeds loans for the Senior Unsecured Notes (such amount including all scheduled interest payments, including if applicable, special interest or liquidated damages) and default interest on the Senior Unsecured Notes Liabilities accrued due and payable in cash in accordance with the terms of the relevant Debt Document, additional amounts payable as a result of the tax gross up provisions relating to the Senior Unsecured Notes Liabilities and amounts in respect of currency indemnities in the relevant indenture for the Senior Unsecured Notes and/or applicable proceeds loan, (ii) no notice of a Secured Debt Event of Default has been delivered by the Credit Facility Agent, the Notes Trustee or the Pari Passu Debt Representative (as the case may be); and (iii) no payment default under any Credit Facility, the Notes Indenture (above an agreed threshold) and the Pari Passu Liabilities Documents (above an agreed threshold) has occurred and is continuing; (b) the Majority Super Senior Creditors (as defined below) and the Notes Trustee and the Pari Passu Debt Representative give prior consent to that payment being made; (c) the payment is of amounts owing to the Senior Unsecured Notes Trustee (the "Senior Unsecured Notes Trustee Amounts"); (d) the payment is of administrative and maintenance costs, fees, expenses and taxes of the Issuer (in acting as the issuer of the Senior Unsecured Notes) including any reporting or listing requirements, as permitted under the terms of the Credit Facilities; or (e) the payment is of costs, commissions, taxes, premiums and any expenses incurred in respect of (or reasonably incidental to) any refinancing of the Senior Unsecured Notes Documents in compliance with the Intercreditor Agreement, the Credit Facilities, the Notes Documents and the Pari Passu Debt Documents.

The Intercreditor Agreement will also permit payments to be made from time to time when due to lenders owed any Intra Group Liabilities ("Intra Group Liabilities Payments") if at the time of payment no Secured Debt Acceleration Event or an acceleration event in respect of the Senior Unsecured Notes Liabilities has occurred and is continuing (an "Acceleration Event"). The Intercreditor Agreement will permit Intra Group Liabilities Payments if (i) an Acceleration Event has occurred prior to the date on which the Super Senior Liabilities are discharged in full (the "Super Senior Discharge Date"), with the consent of the Instructing Group (as defined, and further described, in "*—Enforcement decision*"); (ii) an Acceleration Event has occurred after the Super Senior Discharge Date but prior to the date on which the Senior Secured Liabilities are discharged in full (the "Senior Secured Discharge Date"), with the consent of the Notes/Pari Passu Required Holders (as defined below) (acting through their Creditor Representatives); (iii) an Acceleration Event has occurred after the Senior Secured Discharge Date but prior to the later of the date on which the Senior Unsecured Notes Liabilities are discharged (the "Senior Unsecured Notes Discharge Date"), with the consent of the Senior Unsecured Notes Required Holders (as defined herein) (acting through their Creditor Representatives); (iv) that payment is made to facilitate payment of the Super Senior Liabilities or Senior Secured Liabilities; or (v) to the extent a Secured Debt Acceleration Event has subsequently been cancelled and/or irrevocably revoked in writing by each relevant Creditor Representative, the payment is made to facilitate payments of the Senior Unsecured Notes Liabilities that are permitted to be paid under the terms of the Intercreditor Agreement and, if such payment is made pursuant to Senior Unsecured Notes Guarantees or Additional Senior Unsecured Guarantees, it would be permitted at such time.

Payments may be made on Shareholder Liabilities from time to time when due if: (i) the payment is not prohibited by a Credit Facility, the Notes Documents, the Pari Passu Debt Documents or the Senior Unsecured Notes Documents; (ii) the payment is to be made to the Senior Unsecured Notes Issuer in respect of any Senior Unsecured Notes Issuer Liabilities made in order to make a corresponding payment in Senior Unsecured Notes Liabilities which is then due and payable by the Senior Unsecured Issuer pursuant to the Senior Unsecured Notes Documents (or in the case of a payment in respect of scheduled interest, such payment will become due and payable within three business days) to be made at the time such payment of Shareholder Liabilities is made to the Senior Unsecured Notes Issuer; (iii) prior to the Super Senior Discharge Date, the Instructing Group (as defined below) gives written consent to such payment being made; (iv) on or after the Super Senior Discharge Date but prior to the Senior Secured Discharge Date, the Notes/Pari Passu Required Holders (acting through their Creditor Representative (as defined below)) give written consent to such payment being made; or (v) after the Secured Debt Discharge Date but prior to Senior Unsecured Discharge Date, the Senior Unsecured Notes Required Holders (acting through their Creditor Representative (as defined below)) give written consent to such payment being made. At any time prior to an Acceleration Event, Shareholder Liabilities may be converted into equity.

Creditor Representative

Under the Intercreditor Agreement, the parties will appoint various creditor representatives. "Creditor Representative" means:

(a) in relation to the lenders under the Revolving Credit Facility, the facility agent under the Revolving Credit Facility Agreement;

(b) in relation to the Credit Facility Lenders under any other Credit Facility, the facility agent in respect of that credit facility (an "Additional Credit Facility Agent," and, together with the facility agent under the Revolving Credit Facility Agreement, a "Credit Facility Agent");

(c) in relation to the Noteholders, the Notes Trustee;

(d) in relation to the Senior Unsecured Noteholders, the Senior Unsecured Notes Trustee;

(e) in relation to any Pari Passu Creditors, the creditor representative for those Pari Passu Creditors (the "Pari Passu Debt Representative"); and

(f) in relation to any Hedge Counterparty, such Hedge Counterparty (which shall be its own Creditor Representative).

Issue of Senior Unsecured Payment Stop Notice

(a) Until the later of the Super Senior Discharge Date and the Senior Secured Discharge Date (the "Secured Debt Discharge Date"), except with the prior consent of the Credit Facility Agent, the consent of the Notes Trustee and the Pari Passu Debt Representative(s), and subject to the provisions of the Intercreditor Agreement which will deal with the effects of an insolvency event, the Issuer shall ensure that no member of the Group shall make, and no Senior Unsecured Noteholder may receive from any member of the Group, any payment in respect of the Senior Unsecured Notes which would otherwise be permitted as referred to above (other than the Senior Unsecured Notes Trustee Amount) if:

(i) a payment default under the Secured Debt Documents (a "Secured Debt Payment Default") has occurred and is continuing; or

(ii) an event of default under a Credit Facility Document, the Notes Documents or the Pari Passu Debt Documents (other than a Secured Debt Payment Default) (a "Secured Debt Event of Default") has occurred and is continuing, from the date on which the Credit Facility Agent or the Notes Trustee or the Pari Passu Debt Representative (as the case may be) (the "Relevant Representative") delivers a notice (a "Senior Unsecured Payment Stop Notice") specifying the event or circumstance in relation to that Secured Debt Event of Default to the Senior Unsecured Notes Issuer, the Security Agent and the Senior Unsecured Notes Trustee, until the earliest of:

A. the date falling 179 days after delivery of that Senior Unsecured Payment Stop Notice;

B. the date on which a Senior Unsecured Default occurs for failure to pay principal at the original scheduled maturity of the Senior Unsecured Notes;

C. in relation to payments of Senior Unsecured Notes Liabilities, if a Senior Unsecured Standstill Period (as defined below) is in effect at any time after delivery of that Senior Unsecured Payment Stop Notice, the date on which that Senior Unsecured Standstill Period expires;

D. the date on which the relevant Secured Debt Event of Default is no longer continuing and, if the relevant Secured Liabilities have been accelerated, such acceleration has been rescinded;

E. the date on which the Relevant Representative delivers a notice to the Senior Unsecured Notes Issuer, the Security Agent and the Senior Unsecured Notes Trustee cancelling the Senior Unsecured Payment Stop Notice;

F. the later of the Super Senior Discharge Date and the Senior Secured Discharge Date; and

G. the date on which the Senior Unsecured Notes Trustee takes any enforcement action that it is permitted to take under the Intercreditor Agreement.

(b) Unless the Senior Unsecured Notes Trustee waives this requirement:

(i) a new Senior Unsecured Payment Stop Notice may not be delivered unless and until 360 days have elapsed since the delivery of the immediately prior Senior Unsecured Payment Stop Notice; and

(ii) no Senior Unsecured Payment Stop Notice may be delivered in reliance on a Secured Debt Event of Default more than 60 days after the date the Credit Facility Agent, the Notes Trustee or the Pari Passu Debt Representative (as applicable) received notice of that Secured Debt Event of Default.

(c) The Credit Facility Agent, the Notes Trustee and the Pari Passu Debt Representative(s) may serve only one Senior Unsecured Payment Stop Notice with respect to the same event or set of circumstances.

(d) The Credit Facility Agent, the Notes Trustee and the Pari Passu Debt Representative(s) may not serve a Senior Unsecured Payment Stop Notice with respect to a Secured Debt Event of Default which had been notified to each of them at the time at which an earlier Senior Unsecured Payment Stop Notice was issued.

Cure of payment stop: Senior Unsecured Noteholders

If at any time following the issuance of a Senior Unsecured Payment Stop Notice or the occurrence of a Secured Debt Payment Default:

(a) the Senior Unsecured Payment Stop Notice ceases to be outstanding and/or the Secured Debt Payment Default ceases to be continuing, as the case may be; and

(b) the relevant Debtor then promptly pays to the Senior Unsecured Noteholders an amount equal to any payments which had accrued under the Senior Unsecured Notes Documents and which would have been permitted payments but for that Senior Unsecured Payment Stop Notice or Secured Debt Payment Default, then any Event of Default which may have occurred as a result of that suspension of payments shall be waived and any Senior Unsecured Enforcement Notice (as defined below) which may have been issued as a result of that event of default shall be waived, in each case without any further action being required on the part of the Senior Unsecured Noteholders.

Restrictions on enforcement/certain challenges by Senior Unsecured Noteholders

Until the later of the Secured Debt Discharge Date, except with the prior consent of or as required by the Instructing Group, no Senior Unsecured Noteholder shall take or require the taking of any enforcement action in relation to the Senior Unsecured Notes Liabilities except as permitted under the Intercreditor Agreement (see "*—Permitted Senior Unsecured Notes Guarantee enforcement*" below:

Permitted Senior Unsecured Notes Guarantee enforcement

(a) The above restrictions on enforcement will not apply if:

(i) an event of default (or event or circumstance which would, with the expiration of a grace period, the giving of notice, the making of any determination provided for in the relevant definition of "Event of Default" in the Senior Unsecured Notes Indenture or any combination of the foregoing, be an event of default) under any Senior Unsecured Notes Indenture (a "Senior Unsecured Notes Default") (such default being a "Relevant Senior Unsecured Notes Default") is continuing;

(ii) the Credit Facility Agent, the Notes Trustee and the Pari Passu Debt Representative(s) have received a notice of the Relevant Senior Unsecured Notes Default specifying the event or circumstance in relation to the Relevant Senior Unsecured Notes Default from the Senior Unsecured Notes Trustee;

(iii) a Senior Unsecured Standstill Period (as defined below) has elapsed; and

(iv) the Relevant Senior Unsecured Notes Default is continuing at the end of the relevant Senior Unsecured Standstill Period.

(b) Promptly upon becoming aware of a Senior Unsecured Notes Default, the Senior Unsecured Notes Trustee may, by notice (a "Senior Unsecured Enforcement Notice") in writing notify the Credit Facility Agent, the Notes Trustee and the Pari Passu Debt Representative(s) of the existence of such Senior Unsecured Notes Default.

Senior Unsecured Standstill Period

In relation to a Relevant Senior Unsecured Notes Default, a Senior Unsecured Standstill Period shall mean the period beginning on the date (the "Senior Unsecured Standstill Start Date") the Senior Unsecured Notes Trustee serves a Senior Unsecured Enforcement Notice on the Credit Facility Agent, the Notes Trustee and the Pari Passu Debt Representative(s) in respect of such Relevant Senior Unsecured Notes Default and ending on the earliest to occur of:

(a) the date falling 179 days after the Senior Unsecured Standstill Start Date (the "Senior Unsecured Standstill Period");

(b) the date the Secured Parties take any enforcement action (excluding any action taken to preserve or perfect any Collateral as opposed to realize it) in relation to a Guarantor, provided that the Senior Unsecured Noteholders and Additional Senior Unsecured Creditors may then only take the same enforcement action in relation to the Guarantor as the enforcement action taken by the Secured Parties against such Guarantor and not against any other member of the Group;

(c) the date of an insolvency event in relation to a Senior Unsecured Notes Guarantor against whom enforcement action is to be taken;

(d) the date on which a Senior Unsecured Notes Default occurs for failure to pay principal at the original scheduled maturity of the Senior Unsecured Notes; and

(e) the expiration of any other Senior Unsecured Standstill Period outstanding at the date such first Senior Unsecured Standstill Period commenced (unless that expiration occurs as a result of a cure, waiver or other permitted remedy).

The Senior Unsecured Noteholders may take enforcement action as described above in relation to a Relevant Senior Unsecured Notes Default even if, at the end of any relevant Senior Unsecured Standstill Period or at any later time, a further Senior Unsecured Standstill Period has begun as a result of any other Relevant Senior Unsecured Notes Default.

If the Security Agent has notified the Senior Unsecured Notes Trustee that it is enforcing Transaction Security created over (directly or indirectly) shares of a Senior Unsecured Notes Guarantor, no Senior Unsecured Noteholder may take any action referred to in "*—Permitted Senior Unsecured Notes Guarantee enforcement*," above against that Senior Unsecured Notes Guarantor while the Security Agent is, in accordance with the instructions of the Instructing Group, taking steps to enforce that Collateral where such action might be reasonably likely to adversely affect such enforcement or the amount of proceeds to be derived therefrom.

Enforcement Instructions

The Security Agent may refrain from enforcing the Transaction Security or taking any other enforcement action unless otherwise instructed by the relevant Instructing Group (as further described in "*—Enforcement decision*").

Subject to the Transaction Security having become enforceable in accordance with its terms and subject to the terms of the Intercreditor Agreement, the Instructing Group may give instructions to the Security Agent as to the enforcement of the Transaction Security as they see fit provided that the instructions as to enforcement given by the Instructing Group are consistent with the Security Enforcement Principles (as defined below).

Enforcement decision

If either the Majority Super Senior Creditors or the Notes/Pari Passu Required Holders (acting through their Creditor Representatives) (the "Instructing Group") wish to instruct the Security Agent to commence enforcement of any Transaction Security, such group of creditors must deliver a copy of the proposed instructions as to enforcement (the "Proposed Enforcement Instructions") to the Security Agent and the Creditor Representative for each of the Super Senior Creditors and the Senior Secured Creditors (as appropriate). The Security Agent shall promptly notify each Creditor Representative of the Super Senior Creditors, the Notes Trustee and each of the Pari Passu Representatives upon receipt of such Proposed Enforcement Instructions.

Prior to the Super Senior Discharge Date, if the Security Agent has received any Proposed Enforcement Instructions, then the Security Agent shall either enforce or refrain from enforcing the Transaction Security in accordance with the instructions of the Notes/Pari Passu Required Holders (and the Notes/Pari Passu Required Holders shall be the Instructing Group for the purpose of "*—Enforcement instructions*," in each case, acting through their respective Creditor Representative) provided that such instructions are consistent with certain Security Enforcement Principles (as referred to below) and failure to give instructions will be deemed to be an instruction not to take Enforcement steps.

In the event that:

(a) from the date that is three months after the date upon which the first Proposed Enforcement Instructions (including such instructions not to take Enforcement steps) are delivered, the Notes/Pari Passu Required Holders have not taken any Enforcement Action of the Transaction Security; or

(b) the Super Senior Liabilities have not been fully discharged in cash within six months of the date upon which the first such Proposed Enforcement Instructions (including any such instructions not to take Enforcement steps) are delivered,

then (with effect from the date of the earlier to occur of such events), the Majority Super Senior Creditors shall become the Instructing Group for the purposes of "*—Enforcement instructions*."

If at any time the Security Agent has not taken any Relevant Enforcement Action of the Transaction Security notwithstanding the Transaction Security having become enforceable in accordance with its terms, a Creditor Representative acting on behalf of the Majority Super Senior Creditors or the Notes/Pari Passu Required Holders, as the case may be, may at any time provide immediate instructions as to Enforcement to the Security Agent. If the Majority Super Senior Creditors or the Notes/Pari Passu Required Holders determine in good faith (and notify the Creditor Representatives of the other Super Senior Creditors and the Notes Creditors and the Pari Passu Creditors and the Security Agent) the delay in taking Enforcement Action of the Transaction Security could reasonably be expected to have a material adverse effect on:

(i) the Security Agent's ability to enforce the Transaction Security; or

(ii) the realization proceeds of any enforcement of the Transaction Security,

and the Security Agent shall act with respect to the relevant asset or Debtor that is the subject of the determination pursuant to (i) or (ii) above, in accordance with the first such notice of determination and instructions as to Enforcement received by the Security Agent (provided in each case that such instructions are consistent with certain Security Enforcement Principles (referred to below).

If at any time an insolvency event has occurred with respect to any Debtor or Security Provider (other than an insolvency event which is the direct result of any action taken by the Security Agent acting on the instructions of the Majority Super Senior Creditors or the Notes/Pari Passu Required Holders), the Security Agent shall act, to the extent the Majority Super Senior Creditors have provided such instructions, in accordance with the instructions received from such Majority Super Senior Creditors, provided that in the event the Security Agent has received Proposed Enforcement Instructions from the Creditor Representative for the Notes/Pari Passu Required Holders and has commenced Relevant Enforcement Action pursuant to such instructions, the Security Agent shall continue to act in accordance with the instructions of the Creditor Representative for the Notes/Pari Passu Required Holders until such time as the Creditor

Representative for the Majority Super Senior Creditors issues enforcement instructions to the Security Agent and such instructions shall override and supercede any such prior instructions given by the Creditor Representative for the Notes/Pari Passu Required Holders.

Other than where the preceding two paragraphs apply, if, prior to the Super Senior Discharge Date, the Majority Super Senior Creditors or the Notes/Pari Passu Required Holders (in each case, acting reasonably) consider that the Security Agent is enforcing the Transaction Security in a manner which is not consistent with certain Security Enforcement Principles (as referred to below), the Creditor Representatives for the relevant Super Senior Creditors or Senior Secured Creditors shall give notice to the Creditor Representatives for the other Super Senior Creditors and Senior Secured Creditors (as appropriate), after which the Creditor Representatives for the other Super Senior Creditors, the Notes Trustee and each Pari Passu Debt Representative shall consult with the Security Agent for a period of 15 days (or such lesser period as the relevant Creditor Representatives may agree) with a view to agreeing the manner of enforcement provided that such Creditors' Representatives shall not be obligated to consult in the manner referred to in this paragraph more than once in relation to each enforcement action.

After the Super Senior Discharge Date, the Security Agent shall either enforce or refrain from enforcing the Transaction Security in accordance with the instructions provided by the Notes/Pari Passu Required Holders.

Limitation on enforcement of Shareholder Liabilities

Creditors in respect of the Shareholder Liabilities will not be permitted to take any enforcement action in respect of such liabilities prior to the last to occur of the Super Senior Discharge Date, the Senior Secured Discharge Date and the Senior Unsecured Notes Discharge Date (the "Final Discharge Date") save that, prior to the Final Discharge Date and after the occurrence of an insolvency event in relation to any Debtor or member of the Group or grantor of Transaction Security, each such Creditor may only (unless otherwise directed by the Security Agent or unless the Security Agent has taken, or has given notice that it intends to take, action on behalf of that Creditor in accordance with the terms of the Intercreditor Agreement), and shall, if so directed by the Security Agent, exercise any right it may otherwise have against that member of the Group to:

(a) accelerate any of that member of the Group's Shareholder Liabilities or declare them prematurely due and payable or payable on demand;

(b) make a demand under any guarantee, indemnity or other assurance against loss given by that member of the Group in respect of any Shareholder Liabilities;

(c) exercise any right of set-off or take or receive any payment in respect of any Shareholder Liabilities of that member of the Group; or

(d) claim and prove in the liquidation of that member of the Group for the Shareholder Liabilities owing to it,

but shall not take any other enforcement action.

Limitation on enforcement of Intra Group Liabilities

Creditors in respect of the Intra Group Liabilities will not be permitted to take any enforcement action in respect of such liabilities prior to the Final Discharge Date except that, prior to the Final Discharge Date and after the occurrence of an insolvency event in relation to any member of the Group or grantor of Transaction Security, each Intra Group Lender may only (unless otherwise directed by the Security Agent or unless the Security Agent has taken, or has given notice that it intends to take, action on behalf of that Intra Group Lender in accordance with the Intercreditor Agreement) and shall, if so directed by the Security Agent, exercise any right it may otherwise have against that member of the Group to:

(a) accelerate any of that Group member's Intra Group Liabilities or declare them prematurely due and payable or payable on demand;

(b) make a demand under any guarantee, indemnity or other assurance against loss given by that member of the Group in respect of any Intra Group Liabilities;

(c) exercise any right of set-off or take or receive any payment in respect of any Intra Group Liabilities of that member of the Group; or

(d) file claims, or claim and prove in the liquidation of that member of the Group for the Intra Group Liabilities owing to it,

but shall not take any other enforcement action.

Security Enforcement Principles

A Creditor Representative may only give enforcement instructions that are consistent with the following security enforcement principles (the "Security Enforcement Principles"):

(a) it shall be the primary and overriding aim of any enforcement of the Transaction Security to achieve the security enforcement objective, such objective being to maximise the recovery by the Super Senior Creditors and the Senior Secured Creditors so far as such recovery is consistent with prompt and expeditious realization of value from enforcement of the Transaction Security (the "Security Enforcement Objective");

(b) without prejudice to the Security Enforcement Objective, the Transaction Security will be enforced and other enforcement action will be taken such that either:

  (i) all proceeds of enforcement are received by the Security Agent in cash for distribution in accordance with the terms of the Intercreditor Agreement (as further described in "*—Application of proceeds from enforcement of Transaction Security*"); or

  (ii) in the case of enforcement by the Notes/Pari Passu Required Holders sufficient Proceeds from Enforcement will be received by the Security Agent in cash to ensure that when the proceeds are applied in accordance with the terms of the Intercreditor Agreement (see "*—Application of proceeds from enforcement of Transaction Security*"), the Super Senior Liabilities are repaid and discharged in full in cash (unless the Majority Super Senior Creditors agree otherwise);

(c) to the extent that the Transaction Security that is the subject of the proposed enforcement action is:

  (i) securing assets other than shares in a member of the Group where the aggregate book value of such assets exceeds EUR 1 million (or its equivalent); or

  (ii) over some or all of the shares in a member of the Group,

  then the Security Agent shall, if requested by the Instructing Group, and at the expense of the Issuer, (to the extent that financial advisors have not adopted a general policy of not providing such opinion) appoint an internationally recognized investment bank or accountancy firm or, if it is not practicable for the Security Agent to appoint any such bank or firm on commercially reasonable terms (including for reasons of conflicts of interest) as determined by the Security Agent (acting in good faith), another third-party professional firm which is regularly engaged in providing valuations in respect of the relevant type of assets (in each case not being the firm appointed as the relevant Debtor's administrator or other relevant officer holder) selected by the Security Agent (a "Financial Advisor") to opine as expert that the consideration received from any disposal is fair from a financial point of view after taking into account all relevant circumstances (a "Financial Advisor's Opinion");

(d) the Security Agent shall be under no obligation to appoint a Financial Advisor or to seek the advice of a Financial Advisor, unless expressly required to do so by the Intercreditor Agreement. Prior to making any appointment of a Financial Advisor, the Security Agent is entitled to ensure that cost cover (at a level it is satisfied with acting reasonably) has been provided;

(e) the Financial Advisor's Opinion (or any equivalent opinion obtained by the Security Agent in relation to any other enforcement of the Transaction Security that such action is fair from a financial point of view after taking into account all relevant circumstances) will be conclusive evidence that the Security Enforcement Objective has been met;

(f) where the Instructing Group is the Notes/Pari Passu Required Holders, the Notes/Pari Passu Required Holders may waive the requirement for a Financial Advisor's Opinion where sufficient Proceeds from Enforcement will be received by the Security Agent in cash to ensure that when the proceeds are applied in accordance with the terms of the Intercreditor Agreement (see "*—Application of proceeds from enforcement of Transaction Security*"), the Super Senior Liabilities are repaid and discharged in full; and

(g) in the event that an enforcement of the Transaction Security is conducted by way of Public Auction (as defined below), no Financial Advisor shall be required to be appointed, and no Financial Advisor's Opinion shall be required, in relation to such enforcement, provided that the Security Agent shall be entitled (but not obligated) to appoint a Financial Advisor to provide such advice as the Security Agent deems appropriate in relation to such enforcement by way of Public Auction.

The Security Enforcement Principles may be amended, varied or waived with the prior written consent of the Majority Super Senior Creditors, the Notes/Pari Passu Required Holders and the Security Agent.

"Public Auction" means an auction or other competitive sale process of assets, by or on behalf of the Security Agent pursuant to an enforcement of Transaction Security (or by a member of the Group in circumstances that are a Distressed Disposal (as defined below)), the process of such sale or disposal having been conducted as follows:

(a) prior to the sale or other disposal, the Security Agent shall, in respect of such auction or other competitive sale process, consult with an internationally recognized investment bank or accounting firm selected by the Security Agent (acting reasonably) with respect to the procedures which may reasonably be expected to be used to obtain a fair market price in the then prevailing market conditions (taking into account all relevant circumstances and in order to facilitate a prompt and expeditious sale at a fair market price in the prevailing market conditions although there shall be no obligation to postpone any such sale in order to achieve a higher price);

(b) the Security Agent shall have implemented (to the extent permitted by law) in all material respects the procedures recommended by such bank or firm in relation to such auction or process;

(c) the Secured Parties shall have a right to participate; and

(d) Holdco shall not have the right to participate without the consent of the Majority Super Senior Creditors (excluding the Hedge Counterparties), the Senior Secured Notes Required Holders and the Pari Passu Debt Required Holders of each tranche of Pari Passu Debt if such auction or competitive sale process is in respect of SUN Shared Security or assets which were secured by such SUN Shared Security before foreclosure thereof.

For the purposes of paragraphs (a), (b), (c) and (d) above:

(i) the Security Agent shall be entitled to retain any such internationally recognized investment bank or accounting firm as its and/or any of the other Secured Parties' financial advisor to advise and assist in the proposed sale or disposition for such remuneration as the Security Agent in good faith determines is appropriate for the circumstances;

(ii) except as required by applicable law, the Security Agent shall not have any obligation to any person to engage in or to use reasonable efforts to engage in a listing of any or all of any equity interests the subject of such auction or other competitive sale process, including, without limitation, if recommended by such investment bank or accounting firm;

(iii) by reason of certain prohibitions, or exemptive or safe-harbor provisions from such prohibitions, contained in law or regulations of any applicable governmental authority, the Security Agent may, with respect to any sale of all or any part of such equity interests or assets:

A. limit purchasers to those who meet the requirements of such governmental authority or exemptive or safe-harbor provision (as applicable) and/or make representations and undertakings satisfactory to the Security Agent relating to compliance with such requirements and/or provisions; and/or

B. limit purchasers to persons who will agree, among other things to acquire such shares for their own account, for investment and not with a view to the distribution or resale thereof;

(iv) the Security Agent and other Secured Parties shall not under any circumstances be required to make representations, warranties or undertakings to any actual or proposed purchaser (other than customary representations in a security enforcement as to power to transfer the relevant equity interests pursuant to the Transaction Security Documents) or to indemnify any actual or proposed purchaser against any costs, liabilities or similar expenses or losses; and

(v) without limitation to the other circumstances of the sale or other disposition that the Security Agent and such investment bank or accounting firm may take into consideration, the Security Agent may (but is not required to) in all circumstances specify that no offer to purchase equity interest or other assets will be entertained unless such offer:

A. is for all (and not some only) of the equity interests being sold or otherwise disposed;

B. is for cash consideration payable at closing (and therefore not including, for the avoidance of doubt, any element of deferred compensation) and is not subject to any financing conditions; and/or

C. contemplates a closing of the sale of the equity interests or other assets in not more than three (3) months (or such longer period as the Security Agent may specify) from the time of initiation of the sale or disposition process; and

(vi) a "right to participate":

A. means any offer, or indication of a potential offer, that a Secured Party makes shall be considered by the Security Agent or such investment bank or accounting firm against the same criteria as any offer, or indication of a potential offer, by any other bidder or potential bidder. For the avoidance of doubt, if after having applied that same criteria, the offer or indication of a potential offer made by a Secured Party is not considered by the Security Agent or such investment bank or accounting firm to be sufficient to continue in the sale or disposal process, such consideration being against the same criteria as any offer, or indication of a potential offer, by any other bidder or potential bidder (such continuation may include being invited to review additional information or being invited to have an opportunity to make a subsequent or revised offer, whether in another round of bidding or otherwise) then the right to participate of that Secured Party under this Agreement shall be deemed to be satisfied; and

B. shall not apply if the Security Agent believes in good faith that it may (or there is a risk that it may) result in a violation of any applicable laws or that it may (or there is a risk that it may) result in a requirement for registration under any applicable securities laws.

For the purposes of paragraph (a), such investment bank or accounting firm may be instructed by the Security Agent to take the limitations set out in subparagraphs (i) to (vi) (inclusive) above into account and to formulate recommendations that are consistent with them.

Exercise of voting rights

Each Creditor (other than the Credit Facility Lenders, the Revolving Credit Facility Agent, the Notes Trustee, the Pari Passu Debt Representative and the Senior Unsecured Notes Trustee) will cast its vote in any proposal put to the vote by or under the supervision of any judicial or supervisory authority in respect of any insolvency, pre-insolvency or rehabilitation or similar proceedings relating to any member of the Group as instructed by the Security Agent and the Security Agent shall give instructions for these purposes as directed by the Instructing Group, provided that such instructions have been given in accordance with the terms of the Intercreditor Agreement.

Turnover

Turnover by Primary Creditors

The Intercreditor Agreement will provide that if any creditor in respect of the Super Senior Liabilities, the Senior Secured Liabilities or the Senior Unsecured Notes Liabilities (the "Primary Creditors") receives or recovers the proceeds of any enforcement of any Transaction Security (whether before or after an insolvency event) other than in accordance with the payment waterfall described in "*—Application of proceeds from enforcement of Transaction Security*," that Primary Creditor will, subject to certain exceptions:

(a) in relation to receipts or recoveries not received or recovered by way of set-off, (i) hold that amount on trust for the Security Agent and promptly pay that amount to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and (ii) promptly pay an amount equal to the amount (if any) by which receipt or recovery exceeds the relevant liabilities owed to such creditor to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and

(b) in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery to the Security Agent for application in accordance with the terms of the Intercreditor Agreement.

Turnover by Senior Unsecured Notes Creditors and Subordinated Creditors

The Intercreditor Agreement will provide that if any Senior Unsecured Notes Creditor or any creditor of any Subordinated Liabilities receives or recovers:

(a) any payment or distribution of, or on account of, or in relation to any such liabilities which is not otherwise permitted under the Intercreditor Agreement or made in accordance with the payment waterfall described in "*—Application of proceeds from enforcement of Transaction Security*";

(b) other than by way of set-off permitted under the Intercreditor Agreement, any amount by way of set-off in respect of any such liabilities which is not otherwise permitted under the Intercreditor Agreement or which does not give effect to a payment or enforcement action which is otherwise permitted to be made, received or taken by the relevant creditor under the Intercreditor Agreement;

(c) other than by way of set-off permitted under the Intercreditor Agreement, any amount on account of, or in relation to, any of such liabilities after the occurrence of an Secured Debt Acceleration Event or the enforcement of any Transaction Security (a "Distress Event") or as a result of any other litigation or proceedings against a Debtor or a member of the Group (other than after the occurrence of an insolvency event in respect of that Debtor or that member of the Group), other than, in each case, any amount received or recovered in accordance with the payment waterfall described in "*—Application of proceeds from enforcement of Transaction Security*";

(d) other than by way of set-off permitted under the Intercreditor Agreement, any amount by way of set-off in respect of any of such liabilities after the occurrence of a Distress Event; or

(e) other than by way of set-off permitted under the Intercreditor Agreement, any distribution in cash or in kind or payment of, or on account of or in relation to, any of such liabilities which is not made in accordance with the payment waterfall described in "*—Application of proceeds from enforcement of Transaction Security*" and which is made as a result of, or after, the occurrence of an insolvency event in respect of that Debtor.

The relevant Senior Unsecured Notes Creditor or Subordinated Creditor (as applicable) will, subject to certain exceptions:

(i) in relation to receipts or recoveries not received or recovered by way of set-off, hold that amount on trust for the Security Agent and promptly pay that amount to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and (B) promptly pay an amount equal to the amount (if any) by which receipt or recovery exceeds the relevant liabilities owed to such creditor to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and

(ii) in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery to the Security Agent for application in accordance with the terms of the Intercreditor Agreement.

Application of proceeds from enforcement of Transaction Security

The Intercreditor Agreement will provide that amounts received from the realization or enforcement of all or any part of the Transaction Security will be applied in the following order of priority:

(a) *first*, *pari passu* and pro rata in or towards payment of: (A) any sums owing to the Security Agent or any delegate appointed by the Security Agent or any receiver, any Pari Passu Debt Representative in respect of any Pari Passu Debt issued in the form of notes, any amounts owing to the Notes Trustee, any Senior Unsecured Notes Trustee Amounts payable to the Senior Unsecured Notes Trustee and (B) the liabilities owed to the Revolving Credit Facility Agent and each Creditor Representative (to the extent not included in the foregoing and excluding any Hedge Counterparty in its capacity as its own Creditor Representative) of any unpaid fees, costs, expenses and liabilities (and all interest thereon as provided in the relevant finance documents) of each such Creditor Representative and any receiver, attorney or agent appointed by such Creditor Representative under any Transaction Security Document or the Intercreditor Agreement (to the extent that such Transaction Security has been given in favor of such obligations);

(b) *second*, *pari passu* and pro rata in or toward payment of all costs and expenses incurred by the holders of Super Senior Liabilities and the holders of Senior Secured Liabilities in connection with any realization or enforcement of the Transaction Security taken in accordance with the terms of the Transaction Security Documents and the Intercreditor Agreement or any action taken at the request of the Security Agent;

(c) *third*, *pari passu* and pro rata in or toward payment to: (i) the Revolving Credit Facility Agent on behalf of the Revolving Credit Facility finance parties and on behalf of the arrangers under the Revolving Credit Facility and each Creditor Representative in respect of a Credit Facility on behalf of the arrangers and lenders under and in respect of that Credit Facility; and (ii) the Hedge Counterparties in respect of the Super Senior Hedging Liabilities, for application towards the discharge of (A) the Credit Facility Lender Liabilities and related liabilities owed to the arrangers under the Revolving Credit Facility and the Credit Facility Lender Liabilities and related liabilities owed to the arrangers under such Credit Facility) in accordance with the terms of the Credit Facility Documents and (B) the Super Senior Hedging Liabilities on a *pari passu* and pro rata basis as between (A) and (B);

(d) *fourth*, *pari passu* and pro rata to the Notes Trustee on behalf of the Noteholders for application towards the discharge of the Notes Liabilities and to the relevant Pari Passu Debt Representative on behalf of the Pari Passu Creditors for application towards the discharge of the Pari Passu Liabilities and to the Non-Super Senior Hedge Counterparties for application towards the discharge of the Non-Super Senior Hedging Liabilities; and

(e) *fifth*, to the extent paid out of enforcement proceeds resulting from the enforcement of SUN Shared Security, the Senior Unsecured Notes Guarantee or proceeds from a Distressed Disposal in relation to assets which were previously secured by such SUN Shared Security, in payment or distribution to each Senior Unsecured Notes Trustee on behalf of the Senior Unsecured Noteholders or, if there is no Senior Unsecured Notes Trustee acting on behalf of any relevant Senior Unsecured Noteholders, such Senior Unsecured Noteholders for application towards the discharge of the Senior Unsecured Notes Liabilities owed to the Senior Unsecured Noteholders (in accordance with the terms of the Senior Unsecured Notes Documents); and

the balance, if any, in payment or distribution to the Security Providers, any member of the Group or any other party entitled to receive it.

Release of the Guarantees and the Security

Non-Distressed Disposal

In circumstances where a disposal of an asset of the Group which is subject to the Transaction Security is not being effected (a) by enforcement of the Transaction Security; (b) at the request of the Instructing Group, after the Transaction Security has become enforceable; or (c) in the case of a disposal to a person or persons outside the Group, after a Secured Debt Acceleration Event or a Distress Event has occurred (each a "Distressed Disposal") and is otherwise permitted by the Credit Facility Documents, the Notes Documents, the Pari Passu Debt Documents and the Senior Unsecured Notes Documents (together the "Senior Debt Documents," and such disposal, a "Non-Distressed Disposal"), the Intercreditor Agreement will provide that the Security Agent is authorized (i) to release the Transaction Security or any other claim relating to a Debt Document over the relevant asset; and (ii) if the relevant asset consists of shares in the capital of a Debtor, to release the Transaction Security or any other claim relating to a Debt Document over the assets of that Debtor and the shares in and assets of any of its subsidiaries, provided that if an asset which is the subject of a Non- Distressed Disposal is transferred to another member of the Group the release of the Transaction Security must be permitted under the terms of the Credit Facilities, the Notes Documents and any Pari Passu Debt Documents and, to the extent that replacement Transaction Security is required from the transferee under the terms of the Debt Documents, such Transaction Security will (subject to any other requirements relating to the release, retaking, amendment or extension of the Transaction Security under the Debt Documents) be granted at the same time as (or before) the relevant disposals are effected.

If any proceeds from a Non-Distressed Disposal are required to be applied in mandatory prepayment of any of the Secured Liabilities or to be offered to any Secured Party pursuant to the terms of the Secured Debt Documents, then such proceeds will be applied in or towards payment of such Secured Liabilities or shall be offered to the relevant Secured Parties in accordance with the terms of the relevant Secured Debt Documents and the consent of any other party will not be required for that application.

Distressed Disposal

Where a Distressed Disposal of an asset is being effected, the Intercreditor Agreement will provide that the Security Agent is authorized: (a) if the asset being disposed of consists of shares in the capital of a Debtor, to release: (i) the Transaction Security over the assets of that Debtor or any subsidiary of that Debtor; (ii) that Debtor and any subsidiary of that Debtor from all or any part of its borrowing liabilities in respect of the Debt Documents (other than borrowing liabilities owed by the Issuer to the Primary Creditors), its liabilities as guarantor in respect of the Debt Documents and any trading or other liabilities it may have to an Intra Group Lender or another Debtor ("Other Liabilities"); and (iii) any other claim of a Subordinated Creditor or another Debtor over the relevant assets; and (b) if the asset being disposed of consists of shares in the capital of a holding company of a Debtor, to release: (i) the Transaction Security over the assets of that holding company and any subsidiary of that holding company; (ii) that holding company and any subsidiary of that holding company from all or any part of its borrowing liabilities in respect of the Debt Documents (other than borrowing liabilities owed by the Issuer to the Primary Creditors), its liabilities as guarantor in respect of the Debt Documents and any Other Liabilities; and (iii) any other claim of a Subordinated Creditor or another Debtor over the relevant assets.

Where a Distressed Disposal of an asset is being effected, the Intercreditor Agreement will also provide that the Security Agent is authorized:

(a) if the asset being disposed of consists of shares in the capital of a Debtor or a holding company of a Debtor and the Security Agent (acting in accordance with the terms of the Intercreditor Agreement) decides to dispose of all or any part of the liabilities of that Debtor or holding company or any subsidiary of that Debtor or holding company under the Debt Documents (other than borrowing liabilities owed by the Issuer to a Primary Creditor) or any liabilities owed by such Debtor, holding company or subsidiary to another Debtor ("Debtor Liabilities"):

(i) if the Security Agent does not intend that the relevant transferee will be treated as a Primary Creditor or a Secured Party for the purposes of the Intercreditor Agreement, to enter into any agreement to dispose of all (but not part) of such liabilities owed to a Primary Creditor or all (but not part) of such Debtor Liabilities; or

(ii) if the Security Agent does intend that the relevant transferee will be treated as a Primary Creditor or a Secured Party for the purposes of the Intercreditor Agreement, to enter into any agreement to dispose of all (but not part) of such liabilities owed to a Primary Creditor and all or any part of such Debtor Liabilities and any other liabilities under the Debt Documents,

on behalf of the relevant creditors and Debtors.

Where a Distressed Disposal of an asset is being effected, the Intercreditor Agreement will also provide that the Security Agent is authorized, if the asset being disposed of consists of shares in the capital of a Debtor or a holding company of a Debtor (the "Disposed Entity") and the Security Agent decides to transfer to another Debtor all or any part of that Disposed Entity's obligations (or any obligations of any subsidiary of that Disposed Entity) in respect of Intra Group Liabilities or Debtor Liabilities, to enter into any agreement to agree the transfer and acceptance of all or part of the obligations in respect of those Intra Group Liabilities or Debtor Liabilities on behalf of the Debtors which owe such liabilities and the Debtors to which such liabilities are to be transferred.

In the case of a Distressed Disposal, the Security Agent shall take reasonable care to obtain a fair market price in the prevailing market conditions (though the Security Agent shall not have an obligation to postpone any Distressed Disposal in order to achieve a higher price).

If on or after the first date on which Senior Unsecured Notes are issued but before the Senior Unsecured Notes Discharge Date, a Distressed Disposal is being effected such that the Senior Unsecured Notes Guarantees will be released, it is a further condition to the release that either:

(a) the Senior Unsecured Notes Trustee has approved the release on the instructions of the Senior Unsecured Notes Required Holders; or

(b) where shares or assets of a Senior Unsecured Notes Guarantor are sold:

(i) the proceeds of such sale or disposal are in cash (or substantially in cash);

(ii) all present and future obligations owed to the Secured Parties under the Credit Facility Documents, Hedging Agreements, the Notes Documents and the Pari Passu Debt Documents by a member of the Group, all of whose shares are pledged or charged in favor of the Secured Parties are sold or disposed of pursuant to such enforcement action, are unconditionally released and discharged or sold or disposed of concurrently with such sale (and are not assumed by the purchaser or one of its affiliates), and all or part security under the Transaction Security Documents in respect of the assets that are sold or disposed of is simultaneously and unconditionally released and discharged concurrently with such sale, provided that in the event of a sale or disposal of any such claim (instead of a release or discharge):

A. the Credit Facility Agent, Notes Trustee and Pari Passu Debt Representative determine acting reasonably and in good faith that the finance parties under the Revolving Credit Facility, the Note Creditors and the Pari Passu Creditors (respectively) will recover more than if such claim was released or discharged; and

B. the Credit Facility Agent, Notes Trustee and Pari Passu Debt Representative serve a notice on the Security Agent notifying the Security Agent of the same, in which case the Security Agent shall be entitled immediately to sell and transfer such claim to such purchaser (or an affiliate of such purchaser); and

(iii) such sale or disposal (including any sale or disposal of any claim) is made:

A. pursuant to a Public Auction; or

B. where a Financial Advisor confirms that the sale, disposal or transfer price is fair from a financial point of view after taking into account all relevant circumstances, although there shall be no obligation to postpone any such sale, disposal or transfer in order to achieve a higher price.

The net proceeds of each Distressed Disposal (and the net proceeds of any disposal of liabilities owed to a Primary Creditor or disposal of Debtor Liabilities) shall be paid to the Security Agent for application in accordance with the payment waterfall described in "*—Application of proceeds from enforcement of Transaction Security,*" as if those proceeds were the proceeds of an enforcement of the Transaction Security and, to the extent that any disposal of liabilities owed to a Primary Creditor or disposal of Debtor Liabilities has occurred, as if that disposal of liabilities or Debtor Liabilities had not occurred.

In this section:

"Distressed Disposal" means a disposal of an asset subject to the Transaction Security of a member of the Group which is (a) being effected at the request of the Instructing Group in circumstances where the Transaction Security has become enforceable; (b) being effected by enforcement of the Transaction Security; or (c) being effected, after the occurrence of an Secured Debt Acceleration Event or the enforcement of any Transaction Security, to a person or persons which is, or are, not a member, or members, of the Group;

"Majority Super Senior Creditors" means those Super Senior Creditors whose super senior credit participations at that time aggregate more than $66^2/_3$% of the total super senior credit participations at that time;

"Pari Passu Debt Required Holders" means in respect of any direction, approval, consent or waiver to be granted by a tranche of the Pari Passu Debt, the Pari Passu Creditors of the principal amount of the relevant tranche of Pari Passu Debt required to vote in favor of such direction, consent or waiver under the terms of the relevant Pari Passu Debt Documents or, if the required amount is not specified, the holders holding at least the majority of the principal amount of the then outstanding relevant tranche of Pari Passu Debt, in accordance with the relevant Pari Passu Debt Documents. For the avoidance of doubt, in determining whether the Pari Passu Creditors of the required principal amount of relevant tranche of Pari Passu Debt have concurred in any direction, waiver or consent, relevant Pari Passu Debt owned by any Debtor, or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with any Debtor (other than an independent fund established for the purpose of making, purchasing or investing in loans or debt securities and which has not been set up solely to make purchases of any of the commitments or amounts outstanding under the Debt Documents, and which is managed or controlled by Towerbrook or its affiliates (an "Independent Debt Fund")), will be considered as though not outstanding;

"Relevant Enforcement Action" means either (a) the determination by the Instructing Group of the method of enforcement of Transaction Security or (b) the appointment of a Financial Advisor by the Instructing Group to assist in such determination;

"Notes/Pari Passu Required Holders" means, at any time, those Notes Required Holders, Pari Passu Required Holders and Non-Super Senior Hedging Counterparties whose Senior Secured Credit participations at that time aggregate more than 50% of the total Senior Secured Credit Participations (as defined herein) at that time;

"Senior Secured Notes Required Holders" means in respect of any direction, approval, consent or waiver, the relevant Noteholders of the principal amount of Notes required to vote in favor of such direction, approval, consent or waiver under the terms of the Notes Indenture or, if the required amount is not specified, the holders holding at least the majority of the aggregate principal amount of the then outstanding Notes, in accordance with the Notes Indenture. For the avoidance of doubt, in determining whether the Noteholders of the required principal amount of Notes have concurred in any direction, approval, consent or waiver, Notes owned by any Debtor, or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with any Debtor other than an Independent Debt Fund, will be considered as though not outstanding, except that for the purpose of determining whether the Notes Trustee will be protected in relying on any such direction, approval, waiver or consent, only Notes that the Notes Trustee knows are so owned will be disregarded;

"Senior Unsecured Notes Guarantees" means each senior subordinated guarantee by a Senior Unsecured Notes Guarantor of the obligations of the Senior Unsecured Notes Issuer under the Senior Unsecured Notes Documents which shall be made expressly subject to the provisions of the Intercreditor Agreement in a legally binding manner; and

"Senior Unsecured Notes Required Holders" means, in respect of any direction, approval, consent or waiver, the Senior Unsecured Notes Trustee acting on behalf of the holders of the principal amount of the then outstanding Senior Unsecured Notes required under the terms of the relevant Senior Unsecured Notes Indenture to vote in favor of such direction, approval, consent or waiver, or, if the required amount is not specified, the holders holding at least a majority of the principal amount of the then outstanding Senior Unsecured Notes, in accordance with the relevant Senior Unsecured Notes Indenture. For the avoidance of doubt, in determining whether the Senior Unsecured Noteholders of the required principal amount of relevant tranche of Senior Unsecured Notes have concurred in any direction, waiver or consent, Senior Unsecured Notes owned by any Debtor, or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with any Debtor other than an Independent Debt Fund, will be considered as though not outstanding except that for the purpose of determining whether the Senior Unsecured Notes Trustee will be protected in relying on any such direction, approval, waiver or consent, only Senior Unsecured Notes that the Senior Unsecured Notes Trustee knows are so owned will be disregarded.

Amendment

In addition to customary minor, technical or administrative matter amendments by the Security Agent, the Intercreditor Agreement will provide that it may be amended with only the consent of the Majority Super Senior Creditors, the Notes Required Holders, the Pari Passu Debt Required Holders, the Senior Unsecured Notes Required Holders, the Issuer and the Security Agent, unless it is an amendment, waiver or consent that has the effect of changing or which relates to: (a) any amendment to the order of priority or subordination set forth in the Intercreditor Agreement; (b) any amendment to the payment waterfall, turnover provisions or enforcement provisions set forth in the Intercreditor Agreement; (c) certain provisions relating to the giving of instructions to the Security Agent or the exercise of discretion by the Security Agent; or (d) the amendment of provisions in the Intercreditor Agreement, which shall not be made without consent of:

(i) the Credit Facility Lenders;

(ii) the Notes Trustee (acting in accordance with the terms of the Notes Indenture);

(iii) the Senior Unsecured Notes Trustee (acting in accordance with the terms of the relevant Senior Unsecured Notes Indenture), insofar as the amendment or waiver might adversely affect the rights, ranking, immunities or protections of the Senior Unsecured Notes Trustee or the Senior Unsecured Noteholders;

(iv) in the case of any Pari Passu Debt constituting an issuance of debt securities, the Pari Passu Debt Representative (acting in accordance with the terms of the relevant Pari Passu Debt Documents);

(v) in the case of any Pari Passu Debt constituting a credit facility, the Pari Passu Creditors in that tranche of Pari Passu Debt;

(vi) each Hedge Counterparty (to the extent that the amendment or waiver would adversely affect the Hedge Counterparty);

(vii) the Issuer; and

(viii) the Security Agent.

If, however, an amendment, waiver or consent affects only one class of Secured Party and could not reasonably be expected to materially and adversely affect the interests of the other classes of Secured Party, only agreement from the requisite affected class is required.

Subject to the paragraphs above and certain other exceptions, no amendment or waiver of the Intercreditor Agreement may impose new or additional obligations on or withdraw or reduce the rights of any party to the Intercreditor Agreement without the prior written consent of the affected party.

Option to purchase: Notes Creditors and Pari Passu Creditors

After a Distress Event, by giving not less than ten days' prior written notice to the Revolving Credit Facility Agent and, if applicable, the Hedge Counterparties, the Notes Trustee and the Pari Passu Creditor Representative, at the direction and expense of and having obtained all necessary approvals from the Noteholders and Pari Passu Creditors (as applicable) (the "Purchasing Senior Secured Creditors"), will have the right to acquire or procure that a nominee acquires by way of transfer all (but not part only) of the rights and obligations of the Credit Facility Lenders and the Super Senior Hedge Counterparties in respect of Super Senior Liabilities and the Super Senior Hedging Liabilities (the "Super Senior Acquisition Debt"). If more than one Purchasing Senior Secured Creditor wishes to exercise the option to purchase the Super Senior Acquisition Debt, each such Purchasing Senior Secured Creditor shall acquire the Super Senior Acquisition Debt pro rata, in the proportion that its principal amount outstanding under the Notes and its principal amount outstanding under the Pari Passu Debt Documents ("Senior Secured Credit Participations") bears to the aggregate Senior Secured Credit Participations of all the Purchasing Senior Secured Creditors.

Any such purchase will be on terms which will include, without limitation, payment in full in cash of an amount equal to the Credit Facility Lender Liabilities then outstanding and relevant hedging purchase amount (as determined in accordance with the Intercreditor Agreement), including in respect of any broken funding costs, as well as certain costs and expenses of the Super Senior Creditors and Super Senior Hedge Counterparties; after the transfer, no Super Senior Creditor or Super Senior Hedge Counterparty will be under any actual or contingent liability to any Debtor or any other person under the Intercreditor Agreement, any Credit Facility Document or any Hedging Agreement (in relation to Super Senior Hedging Liabilities only) for which it is not holding cash collateral in an amount and on terms satisfactory to it; the purchasing holders of Notes and Pari Passu Creditors (other than the Notes Trustee and the Pari Passu Debt Representative) indemnify each Super Senior Creditor and Super Senior Hedge Counterparty for any actual or alleged obligation to repay or claw back any amount received by such Super Senior Creditor or Super Senior Hedge Counterparty; and the relevant transfer shall be without recourse to, or warranty from, any Super Senior Creditor or Super Senior Hedge Counterparty, save that each Credit Facility Lender and Super Senior Hedge Counterparty will be deemed to have given the following representations and warranties on the date of the transfer:

(a) in the case of a Credit Facility Lender, it is the sole owner, free from all Security and third-party interests (other than any arising under the relevant finance documents or by operation of law), of all rights and interests under the Revolving Credit Facility finance documents or the Credit Facility Documents purporting to be transferred by it by that transfer;

(b) in the case of a Super Senior Hedge Counterparty, it is the sole owner, free from all Security and third-party interests (other than any arising under the relevant Hedging Agreements or by operation of law) of all rights and interests under the relevant Hedging Agreements purporting to be transferred by it by that transfer;

(c) it has the power to enter into and make, and has taken all necessary action to authorize its entry into and making of, that transfer;

(d) the Credit Facility Lenders and Super Senior Hedge Counterparties are satisfied with the results of any "know your client" or other similar checks relating to the identity of any person that they are required by law to carry out in relation to such a transfer; and

(e) the Senior Unsecured Noteholders have not exercised the purchase rights described in "*—Option to purchase: Senior Unsecured Noteholders*" below or, having exercised such rights, have failed to complete the acquisition of the Credit Facility Lender Liabilities, the Hedging Liabilities under the Hedging Agreements, the Notes Liabilities and the Pari Passu Liabilities.

Option to purchase: Senior Unsecured Noteholders

The Senior Unsecured Noteholders (the "Purchasing Senior Unsecured Notes Creditors") may, after a Distress Event, by giving not less than ten days' notice to the Credit Facility Agent, the Notes Trustee and the Pari Passu Debt Representative (together, the "Relevant Representatives"), require the transfer to them (or to a nominee or nominees) of all (but not part only) of the rights, benefits and obligations in respect of the Super Senior Liabilities and the Senior Secured Liabilities (the "Senior Secured Acquisition Debt"). If more than one Purchasing Senior Unsecured Notes Creditor wishes to exercise the option to purchase the Senior Secured Acquisition Debt, each such Purchasing Senior Unsecured Notes Creditor shall acquire the Senior Secured Acquisition Debt pro rata, in the proportion that its principal amount outstanding under the Senior Unsecured Notes and its principal amount outstanding under the Additional Senior Unsecured Debt Documents ("Senior Unsecured Credit Participations") bears to the aggregate Senior Unsecured Credit Participations of all the Purchasing Senior Unsecured Notes Creditors.

Any such purchase will be on terms which will include, without limitation, payment in full in cash of an amount equal to the Secured Liabilities then outstanding, including in respect of any broken funding costs, as well as certain costs and expenses of the creditors in respect of the relevant Secured Liabilities; after the transfer, no Credit Facility Lender, Hedge Counterparty, Notes Creditor or Pari Passu Creditor will be under any actual or contingent liability to any Debtor or any other person under the Intercreditor Agreement, any Credit Facility Document, any Hedging Agreement, any Notes Finance Document or any Pari Passu Debt Document for which it is not holding cash collateral in an amount and on terms satisfactory to it; the Purchasing Senior Unsecured Notes Creditors, other than the Senior Unsecured Notes Trustee, (or if required by the Credit Facility Lenders, Hedge Counterparties, Noteholders or Pari Passu Creditors, a third party acceptable to the Credit Facility Lenders, Hedge Counterparties, Notes Creditors or Pari Passu Creditors), shall provide on the date of the transfer an indemnity to each Credit Facility Lender and each other finance party under such Credit Facility Document, Hedge Counterparty, Notes Creditor or Pari Passu Creditor (each, an "Indemnified Party") for any actual or alleged obligation to repay or claw back any amount received by such Indemnified Party; and the relevant transfer shall be without recourse to, or warranty from, any Primary Creditor, save that each such Primary Creditor will be deemed to have given the following representations and warranties on the date of the transfer:

(a) in the case of a Credit Facility Lender, it is the sole owner, free from all Security and third-party interests (other than any arising under the Credit Facility Documents or by operation of law), of all rights and interests under the Credit Facility Documents purporting to be transferred by it by that transfer;

(b) in the case of a Hedge Counterparty, it is the sole owner, free from all Security and third-party interests (other than any arising under the Hedging Agreements or by operation of law) of all rights and interests under the Hedging Agreements purporting to be transferred by it by that transfer;

(c) in the case of a Notes Creditor, it is the sole owner, free from all Security and third-party interests (other than any arising under the Notes Documents or by operation of law), of all rights and interests under the Notes Documents purporting to be transferred by it by that transfer;

(d) in the case of a Pari Passu Creditor, it is the sole owner, free from all Security and third-party interests (other than any arising under the relevant Pari Passu Debt Documents or by operation of law), of all rights and interests under the relevant Pari Passu Debt Documents purporting to be transferred by it by that transfer;

(e) it has the power to enter into and make, and has taken all necessary action to authorize its entry into and making of, that transfer; and

(f) the transferring Primary Creditors and Hedge Counterparties are satisfied with the results of any "know your client" or other similar checks relating to the identity of any person that they or any Representative are required by law to carry out in relation to such a transfer.

Governing Law

The Intercreditor Agreement will be governed by and construed in accordance with English law.

Contingent Value Instruments

On April 21, 2009, the Parent Guarantor issued 25,500,000 subordinated contingent value bonds, with a nominal value of €1 each, in a total principal amount of €25.5 million (the "Contingent Value Instruments"). The Contingent Value Instruments do not bear interest and will expire on April 21, 2017.

The Contingent Value Instruments will only be partially payable in the event of a Distribution Event (as defined below) which results in TowerBrook and Investcorp and their affiliates (the "Contingent Value Instruments Investors") having received more than three times their aggregate investments in the Group between the issue date of the Contingent Value Instruments and the date of such Distribution Event (such excess amount, the "Excess Net Proceeds"). Such redemption shall be in an amount equal to a proportion of the Excess Net Proceeds (such proportion being calculated pursuant to a formula set forth in the terms and conditions of the Contingent Value Instruments) and in any event up to a maximum amount equal to the outstanding principal amount under the Contingent Value Instruments.

A "Distribution Event" will occur in the event of (i) any distribution by Top DutchCo to the Investors, (ii) any sale or exchange of their membership interest in Top DutchCo by the Investors or (iii) any other transaction in respect of their membership interest pursuant to which the Investors would receive proceeds, in cash or otherwise, out of their membership interests.

If (i) a change of control occurs (but following, as the case may be, redemption of the Contingent Value Instruments up to the amount resulting thereof), (ii) any insolvency proceedings (or other similar events) occur with respect to the Parent Guarantor, the Issuer or Autodistribution S.A. or (iii) on the maturity date of the Contingent Value Instruments, the outstanding principal amount of the Contingent Value Instruments is more than zero, then the Contingent Value Instruments shall be automatically and immediately cancelled and no amounts whatsoever shall be due by the Parent Guarantor to the holders of the Contingent Value Instruments or to their representative with respect to the Contingent Value Instruments.

The Contingent Value Instruments and the related terms and conditions are governed by French law.

In connection with the subscription of the Contingent Value Instruments, the holders of the Contingent Value Instruments have also entered into, on the same day of the issue of the Contingent Value Instruments, an undertaking agreement setting out, among other thing, certain restrictions to the transfer of the Contingent Value Instruments. The undertaking agreement is governed by French law.

The terms of the Contingent Value Instruments do not restrict the issue of the Notes nor their use to repay the Existing Senior Facilities, the EP Bonds and the Hedge Promissory Note.

Other financing arrangements

Factoring arrangements

Autodistribution and Groupe AD Sud Ouest are party to recourse factoring agreements dated April 19, 2011 pursuant to which they can assign trade receivables to Eurofactor for the face value of these receivables, up to a maximum aggregate amount for both Autodistribution and Groupe AD Sud Ouest of €35.0 million. The factoring agreements have an initial period of three years, and thereafter may be terminated at any time by any party with a three-month notice period. As of October 31, 2013, the amounts of trade receivables assigned pursuant to such factoring arrangements represent €8.5 million in relation to Autodistribution's trade receivables and €1.7 million in relation to Groupe AD Sud Ouest's trade receivables. We intend that this facility will remain in place following this Offering.

Bilateral lending facilities

Porteret and Gobillot, Bugisy and SCI Lorat, three distributors of our subsidiary Enssemble, have entered into bilateral lending facilities in the ordinary course of business.

Enssemble

Porteret and Gobillot, Bugisy and SCI Lorat, three distributors of our subsidiary Enssemble, have entered into several bilateral facilities (for an aggregate amount of €1.4 million outstanding as of October 31, 2013) with BNP Paribas, Banque Populaire, HSBC France and Société Générale, as well as an overall overdraft facility of €3.0 million. As of October 31, 2013, €1.7 million had been drawn under these facilities. These facilities are unsecured, except for our working capital facility with HSBC France, which is secured over inventory for an aggregate amount of €0.5 million.

SCI Lorat entered into a finance lease in 2003 with Sogefimur for an aggregate amount of €1.7 million. The lease will terminate on February 28, 2015. As of October 31, 2013, we had €0.2 million outstanding under this finance lease.

FPLS

Our subsidiary FPLS has entered into several bilateral facilities (for an aggregate amount of €1.1 million) with Crédit Lyonnais, Arkéa Banque Entreprises et Institutionnels, Banque Populaire and Caisse d'Epargne, as well as overdraft facilities of €1.8 million. As of October 31, 2013, €1.9 million had been drawn under these facilities. These facilities are secured by a guarantee from Autodistribution S.A.

AD Polska Aftermarket

AD Polska Aftermarket has entered into a working capital facility with Bank Polska Kasa Opieki Spolka Akcyjna (for an aggregate amount of 24 million Polish złoty). As of October 31, 2013, 22.3 million Polish złoty had been drawn under these facilities. This facility is secured over the inventory of AD Polska Aftermarket for a minimum aggregate amount of 72 million Polish złoty and over the fixed assets of AD Polska Aftermarket for a minimum aggregate amount of 8 million Polish złoty. As of December 12, 2013, this working capital facility was renewed and increased to 26 million Polish złoty.

Other bilateral lending facilities

Our subsidiaries Sofar S.A.S. and Rectification du Pas de Calais S.A.S. have entered into several bilateral lending facilities (for an aggregate amount of €0.2 million) with BNP Paribas, Crédit Agricole, Société Générale and Banque Populaire.

ACR financing arrangements

Factoring arrangement

ACR Group S.A.S. entered into a recourse factoring agreement dated September 29, 2010, as amended on June 17, 2011 and February 20, 2012, pursuant to which it can assign trade receivables to Compagnie Générale d'Affacturage for the face value of such receivables, up to a maximum aggregate amount of €15 million. The agreement has no termination date and may be terminated at any time by any party with a three-month notice period. As of December 31, 2013, the amount of trade receivables assigned pursuant to such factoring agreement represents €2.3 million. We intend that this facility will remain in place following the Contemplated ACR Acquisition.

Finance leases

ACR Group S.A.S. entered into two finance leases in October 2012 with Sogelease for an aggregate amount of €1.1 million. These two leases will terminate in September 2017. ACR Group S.A.S. has the option to purchase the goods leased three months prior the termination date. As of December 31, 2013, ACR Group S.A.S. had €0.9 million outstanding under these leases. We intend that these leases will remain in place if the Contemplated ACR Acquisition is completed.

Description of the Senior Secured Notes

You will find definitions of certain capitalized terms used in this "*Description of the Senior Secured Notes*" under the heading "*Certain definitions*." For purposes of this "*Description of the Senior Secured Notes*," references to the "*Issuer*" refer only to Autodis S.A. and not to any of its Subsidiaries, references to "*we*," "*our*," and "*us*" refer to the Issuer and its Restricted Subsidiaries, references to the "*Holdco*" refer only to Parts Holdings (France) S.A.S. and not to any of its Subsidiaries, references to the "*Dutchco*" refer only to Parts Holdings B.V. (and any successor Person) and not to any of its Subsidiaries, references to the "*Top Dutchco*" refer only to Parts Holdings Cooperatief U.A. (and any successor Person) and not to any of its Subsidiaries, and references to the "*Dutch Security Providers*" refer only to Dutchco and Top Dutchco.

The Issuer will issue €240.0 million aggregate principal amount of % Senior Secured Notes due 2019 (the "*Senior Secured Notes*") under an indenture to be dated as of , 2014 (the "*Indenture*"), between, *inter alios*, the Issuer, Holdco, the Dutch Security Providers, U.S. Bank Trustees Limited, as trustee (the "*Trustee*") and U.S. Bank Trustees Limited, as security agent (in such capacity, the "*Security Agent*"), in a private transaction that is not subject to the registration requirements of the Securities Act. The Indenture will not incorporate or include terms of, or be subject to any of the provisions of, the U.S. Trust Indenture Act of 1939, as amended.

The Issuer intends to use the proceeds from the offering of the Senior Secured Notes sold on the Issue Date to (i) prepay in full existing Indebtedness (including in respect of amounts owed to its shareholders), (ii) to make a distribution to its shareholders, (iii) to the extent the Contemplated ACR Acquisition is completed and funded with proceeds from this Offering of the Senior Secured Notes, pay for the purchase price of the Contemplated ACR Acquisition and repay certain indebtedness of the Target, (iv) to pay the estimated fees and expenses incurred in connection with the Transactions and (v), to the extent any proceeds remain, for general corporate purposes, in each case as set forth in this Offering Memorandum under the caption "*Use of proceeds*." Pending completion of the Contemplated ACR Acquisition and the satisfaction of certain other conditions as described below, the initial purchasers will, concurrently with the closing of the offering of the Senior Secured Notes on the Issue Date, deposit an amount of proceeds equal to €40.0 million of this offering of the Senior Secured Notes into an escrow account (the "*Escrow Account*") pursuant to the terms of an escrow deed (the "*Escrow Agreement*") dated as of the Issue Date among, *inter alios*, the Issuer, the Trustee and Elavon Financial Services Limited, UK Branch, as escrow agent (the "*Escrow Agent*"). If the Contemplated ACR Acquisition is not consummated on or prior to May 31, 2014 (the "*Escrow Longstop Date*"), or upon the occurrence of certain other events, €40.0 million in aggregate principal amount of the Senior Secured Notes will be redeemed at a price equal to 100% of the initial issue price of the Senior Secured Notes, *plus* accrued and unpaid interest and Additional Amounts, if any, from the Issue Date to the Special Mandatory Redemption Date (as defined below) (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date). See "*—Escrow of proceeds; Special Mandatory Redemption*."

Unless and until the Completion Date occurs, the Issuer will not control the Target or any of its Subsidiaries and none of the Target nor any of its Subsidiaries will be subject to the covenants described in this "*Description of the Senior Secured Notes*." As such, we cannot assure you that prior to the Completion Date, the Target and its Subsidiaries will not engage in activities that would otherwise have been prohibited by the Indenture had those covenants been applicable to such entities after the Issue Date and prior to such entity becoming a Restricted Subsidiary.

The Indenture will be unlimited in aggregate principal amount, of which €240.0 million aggregate principal amount of Senior Secured Notes will be issued in this offering. We may issue an unlimited principal amount of additional Senior Secured Notes having identical terms and conditions as the Senior Secured Notes (the "*Additional Senior Secured Notes*"). We will only be permitted to issue Additional Senior Secured Notes in compliance with the covenants contained in the Indenture, including the covenants restricting the Incurrence of Indebtedness and the Incurrence of Liens (as described below under "*—Certain covenants—Limitation on Indebtedness*" and "*—Certain covenants—Limitation on Liens*"). Except as otherwise provided for in the Indenture, the Senior Secured Notes issued in this offering and, if issued, any Additional Senior Secured Notes will be treated as a single class for all purposes under the Indenture, including, without limitation, with respect to waivers, amendments, redemptions and offers to purchase. Unless the context otherwise requires, in this "*Description of the Senior Secured Notes*," references to the "*Senior Secured Notes*" include the Senior Secured Notes and any Additional Senior Secured Notes that are actually issued.

The Indenture will be subject to the terms of the Intercreditor Agreement and any Additional Intercreditor Agreements (as defined below). The terms of the Intercreditor Agreement are important to understanding relative ranking of indebtedness and security, the ability to make payments in respect of the indebtedness, procedures for undertaking enforcement action, subordination of certain indebtedness, turnover obligations, release of security and guarantees, and the payment waterfall for amounts received by the Security Agent. See "*Description of certain financing arrangements—Intercreditor Agreement*" for a description of certain terms of the Intercreditor Agreement.

This "*Description of the Senior Secured Notes*" is intended to be an overview of the material provisions of the Senior Secured Notes, the Indenture and the Security Documents. Since this description of the terms of the Senior Secured Notes is only a summary, you should refer to the Senior Secured Notes, the Indenture and the Security Documents for complete descriptions of the obligations of the Issuer and your rights. Copies of such documents are available from us upon request.

The registered Holder of a Senior Secured Note will be treated as the owner of it for all purposes. Only registered Holders will have rights under the Indenture, including, without limitation, with respect to enforcement and the pursuit of other remedies. The Senior Secured Notes have not been, and will not be, registered under the Securities Act and are subject to certain transfer restrictions.

General

The Senior Secured Notes

The Senior Secured Notes will, upon issuance:

- be general obligations of the Issuer, secured as set forth under "*—Security*";
- rank *pari passu* in right of payment with any existing or future obligation of the Issuer that is not subordinated in right of payment to the Senior Secured Notes, including the obligations of the Issuer under the Revolving Credit Facility and certain Hedging Obligations;
- rank senior in right of payment to any existing or future obligation of the Issuer that is expressly subordinated in right of payment to the Senior Secured Notes;
- be effectively subordinated to any existing or future obligation of the Issuer and its Subsidiaries, including the obligations of the Issuer under the Revolving Credit Facility and certain Hedging Obligations, that is secured by property and assets that do not secure the Senior Secured Notes, to the extent of the value of the property and assets securing such obligation;
- be Guaranteed by the Parent Guarantor and, no later than the date falling 60 days after the Issue Date (such date, the "*Additional Guarantor Accession Date*"), the Additional Guarantor;
- be structurally subordinated to any existing or future obligation of the Issuer's Subsidiaries that are not Guarantors, including obligations of the Issuer's Subsidiaries under the Revolving Credit Facility and to trade creditors;
- mature on   , 2019; and
- be represented by one or more registered Senior Secured Notes in global form, but in certain circumstances may be represented by Definitive Registered Notes (see "*Book-entry, delivery and form*").

Under the terms of the Intercreditor Agreement, the holders of the Senior Secured Notes will receive proceeds from the enforcement of the Collateral only after certain super senior priority obligations have been repaid in full, including (i) obligations under the Revolving Credit Facility,

(ii) other Indebtedness Incurred pursuant to the terms of the Indenture that is entitled to rank senior to the Senior Secured Notes with respect to the proceeds of an enforcement of the Collateral and (iii) certain Hedging Obligations.

The Notes Guarantees

On the Issue Date, the Senior Secured Notes will be Guaranteed by Holdco. The Senior Secured Notes will also be Guaranteed by the Additional Guarantor on the Additional Guarantor Accession Date. In addition, if required by the covenant described under "*—Certain covenants—Additional Guarantees*," certain other Restricted Subsidiaries may provide a Notes Guarantee in the future.

The Notes Guarantee of Holdco, as of the Issue Date, and of the Additional Guarantor, as of the Additional Guarantor Accession Date, will:

- be the general obligation of such Guarantor, secured as set forth under "*—Security*";
- rank *pari passu* in right of payment with any existing or future obligation of such Guarantor that is not subordinated in right of payment to its Notes Guarantee, including such Guarantor's obligations under the Revolving Credit Facility;
- rank senior in right of payment to any existing or future obligation of such Guarantor that is expressly subordinated in right of payment to its Notes Guarantee; and
- be effectively subordinated to any existing or future obligation of such Guarantor, including the obligations of such Guarantor under the Revolving Credit Facility and certain Hedging Obligations, that is secured by property and assets that do not secure its Notes Guarantee, to the extent of the value of the property and assets securing such obligation.

The obligations of a Guarantor under its Notes Guarantee will be limited as necessary to prevent the relevant Notes Guarantee from constituting a fraudulent conveyance or unlawful financial assistance under applicable law, or otherwise to reflect limitations under applicable law. By virtue of these limitations, a Guarantor's obligation under its Notes Guarantee could be significantly less than amounts payable with respect to the Senior Secured Notes, or a Guarantor may have effectively no obligation under its Notes Guarantee. In particular, the Notes Guarantee of the Additional Guarantor is expected to be limited in value to an amount not greater than the amount of the loan(s) of the proceeds of this offering of Senior Secured Notes made to and used by the Additional Guarantor, which is expected to be between approximately €66 million and €76 million if the Completion Date occurs or €13.6 million otherwise, as described in this Offering Memorandum under the caption "*Use of proceeds*." Other Indebtedness of the relevant Guarantor may not be similarly limited. See "*Risk factors—Risks related to our indebtedness and the Notes—Corporate benefit, financial assistance laws and other limitations on the Guarantees or the Dutch Security Providers may adversely affect the validity and enforceability of the Guarantees of the Notes or security interests in the Collateral*" and "*Risk factors —Risks related to our indebtedness and the Notes—The insolvency and administrative laws of France and the Netherlands, as the case may be, may not be favorable to creditors, including investors in the Notes, and may limit your ability to enforce your rights under the Notes, the Guarantees or the security interests in the Collateral*." The validity and enforceability of the Notes Guarantees and the liability of each Guarantor will be subject to the limitations described in "*Limitations on validity and enforceability of the Guarantees and the security interests*."

As of the Issue Date, all of our Subsidiaries will be "Restricted Subsidiaries" for the purposes of the Indenture. However, under the circumstances described below under "*—Certain definitions—Unrestricted Subsidiary*," we will be permitted to designate certain of our Subsidiaries as "Unrestricted Subsidiaries." Any Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Indenture and will not Guarantee the Senior Secured Notes.

As of October 31, 2013, after giving pro forma effect to the Transactions, Holdco and its consolidated Subsidiaries would have had €251.4 million of third-party borrowings, €240.0 million of which is represented by the Senior Secured Notes. In addition, there would have been €20.0 million available for drawing under the Revolving Credit Facility.

Principal and maturity

On the Issue Date, the Issuer will issue €240.0 million in aggregate principal amount of % Senior Secured Notes. The Senior Secured Notes will mature on , 2019. The Senior Secured Notes will be issued in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof.

Interest

Interest on the Senior Secured Notes will accrue at the rate of % per annum. Interest on the Senior Secured Notes will:

- accrue from the Issue Date or, if interest has already been paid, from the date it was most recently paid;
- be payable in cash semi-annually in arrears on and , commencing on , 2014;
- be payable to the holder of record of such Senior Secured Notes on and immediately preceding the related interest payment date; and
- be computed on the basis of a 360-day year comprised of twelve 30-day months.

The rights of Holders to receive the payments of interest on such Senior Secured Notes are subject to applicable procedures of Euroclear and Clearstream. If the due date for any payment in respect of any Senior Secured Notes is not a Business Day at the place at which such payment is due to be paid, the Holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day at such place, and will not be entitled to any further interest or other payment as a result of any such delay.

Paying Agent and Registrar for the Senior Secured Notes

The Issuer will maintain one or more Paying Agents for the Senior Secured Notes in the City of London. The Issuer will also undertake to maintain a Paying Agent in a European Union member state that will not be obligated to withhold or deduct tax pursuant to the European Union Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN meeting of 26 and 27 November 2000 regarding the taxation of savings income (the "*Directive*"), or any law implementing or complying with or introduced in order to conform to, such Directive. The initial Paying Agent will be Elavon Financial Services Limited, UK Branch (the "*Paying Agent*").

The Issuer will also maintain a registrar (the "*Registrar*") in Ireland, and a transfer agent (the "*Transfer Agent*") in the City of London. The initial Registrar will be Elavon Financial Services Limited and the initial Transfer Agent will be Elavon Financial Services Limited, UK Branch. The Registrar and Transfer Agent will maintain a register reflecting ownership of the Senior Secured Notes outstanding from time to time, if any, and will make payments on and facilitate transfers of the Senior Secured Notes on behalf of the Issuer.

The Issuer may change any Paying Agents, Registrars or Transfer Agents for the Senior Secured Notes without prior notice to the Holders of such Senior Secured Notes. For so long as Senior Secured Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, the Issuer will publish notice of any change of Paying Agent, Registrar or Transfer Agent on the official website of the Irish Stock Exchange (*www.ise.ie*), to the extent and in the manner permitted by the rules of the Irish Stock Exchange. Such notice of the change in a Paying Agent, Registrar or Transfer Agent may instead be published in a daily newspaper with general circulation in Ireland (which is expected to be the Irish Times). The Issuer or any of its Subsidiaries may act as Paying Agent or Registrar in respect of the Senior Secured Notes.

Notes Guarantees

General

The obligations of the Issuer pursuant to the Senior Secured Notes, including any payment obligation resulting from a Change of Control, will be Guaranteed, jointly and severally, by the Guarantors (each, a "*Guarantor*" and such Guarantee, a "*Notes Guarantee*").

On the Issue Date, the Senior Secured Notes will be Guaranteed by Holdco (such Note Guarantee, the "*Parent Guarantee*") and, on the Additional Guarantor Accession Date, the Additional Guarantor. As of and for the twelve months ended October 31, 2013, the Issuer and the Guarantors (excluding equity investments in wholly-owned subsidiaries and intercompany receivables and loans) accounted for 46.5% of the consolidated total assets, 18.5% of the consolidated revenue and 42.3% of the consolidated EBITDA of Holdco.

The Senior Secured Notes will also be Guaranteed by the Additional Guarantor on the Additional Guarantor Accession Date. In addition, as described below under "*—Certain covenants—Additional Guarantees*" and subject to the Intercreditor Agreement, certain Subsidiaries of the Issuer that Guarantee the Revolving Credit Facility in the future or certain other Indebtedness permitted under the Indenture may also be required under the Indenture to enter into a supplemental indenture as a Guarantor of the Senior Secured Notes and accede to the Intercreditor Agreement.

Each Notes Guarantee will be limited to the maximum amount that would not render the Guarantor's obligations subject to avoidance under applicable fraudulent conveyance provisions or to comply with corporate benefit, financial assistance and other laws. By virtue of this limitation, a Guarantor's obligation under its Notes Guarantee could be significantly less than amounts payable with respect to the Senior Secured Notes, or a Guarantor may have effectively no obligation under its Notes Guarantee. In particular, the Notes Guarantee of the Additional Guarantor is expected to be limited in value to an amount not greater than the amount of the loan(s) of the proceeds of this offering of Senior Secured Notes made to and used by the Additional Guarantor, which is expected to be between approximately €66 million and €76 million if the Completion Date occurs or €13.6 million otherwise, as described in this Offering Memorandum under the caption "*Use of proceeds*." Other Indebtedness of the relevant Guarantor may not be similarly limited. See "*Risk factors—Risks related to our indebtedness and the Notes—Corporate benefit, financial assistance laws and other limitations on the Guarantees or the Dutch Security Providers may adversely affect the validity and enforceability of the Guarantees of the Notes or security interests in the Collateral*" and "*Risk factors—Risks related to our indebtedness and the Notes—The insolvency and administrative laws of France and the Netherlands, as the case may be, may not be favorable to creditors, including investors in the Notes, and may limit your ability to enforce your rights under the Notes, the Guarantees or the security interests in the Collateral*." The validity and enforceability of the Notes Guarantees and the liability of each Guarantor will be subject to the limitations described in "*Limitations on validity and enforceability of the Guarantees and the security interests*."

The operations of the Issuer are conducted through its Subsidiaries, and therefore the Issuer depends on the cash flow of its Subsidiaries to meet its obligations, including its obligations under the Senior Secured Notes. None of the Issuer's Subsidiaries will Guarantee the Senior Secured Notes on the Issue date. Claims of creditors of non-Guarantor Restricted Subsidiaries, including trade creditors and creditors holding debt and guarantees issued by those Restricted Subsidiaries, and claims of preferred stockholders (if any) of those Restricted Subsidiaries and minority stockholders of Subsidiaries of non-Guarantor Restricted Subsidiaries (if any) generally will have priority with respect to the assets and earnings of those Restricted Subsidiaries over the claims of creditors of the Issuer and the Guarantors, including Holders of the Senior Secured Notes. The Senior Secured Notes and each Notes Guarantee therefore will be structurally subordinated to creditors (including trade creditors) and preferred stockholders (if any) of Restricted Subsidiaries of the Issuer (other than any Guarantors) and minority stockholders of Subsidiaries of non-Guarantor Restricted Subsidiaries (if any). As at and for the twelve months ended October 31, 2013, the total assets (excluding equity investments in wholly-owned subsidiaries and intercompany receivables and loans), revenue and EBITDA of the non-Guarantor Restricted Subsidiaries represented 81.5%, 57.7% and 53.5% of the consolidated revenue, consolidated EBITDA and consolidated total assets of Holdco, respectively, and, after giving *pro forma* effect to the Transactions, the non-Guarantor Restricted Subsidiaries would have had €11.4 million of Indebtedness. Although the Indenture will limit the Incurrence of Indebtedness, Disqualified Stock and Preferred Stock of Restricted Subsidiaries, the limitation is subject to a number of significant exceptions. Moreover, the Indenture will not impose any limitation on the Incurrence by Restricted Subsidiaries of liabilities that are not considered Indebtedness, Disqualified Stock or Preferred Stock under the Indenture. See "*—Certain covenants—Limitation on Indebtedness*."

Notes Guarantees release

The Notes Guarantee of a Guarantor will terminate and release upon:

- except in the case of the Parent Guarantee, a sale or other disposition (including by way of consolidation or merger) of the Capital Stock of the relevant Guarantor (whether by direct sale or sale of a holding company), or the sale or disposition of all or substantially all the assets of the Guarantor (other than to the Issuer or a Restricted Subsidiary), if the sale or other disposition does not violate the Indenture and the Guarantor ceases to be a Restricted Subsidiary of the Issuer as a result of the sale or other disposition;
- except in the case of the Parent Guarantee, the designation in accordance with the Indenture of the Guarantor as an Unrestricted Subsidiary;
- legal defeasance, covenant defeasance or satisfaction and discharge of the Senior Secured Notes in accordance with the Indenture, as provided in "*—Defeasance*" and "*—Satisfaction and discharge*";
- in accordance with an enforcement action pursuant to the provisions of the Intercreditor Agreement or any Additional Intercreditor Agreement;
- as described under "*—Amendments and waivers*";
- as described in the second paragraph of the covenant described below under "*—Certain covenants—Additional Guarantees*"; or
- with respect to a Guarantor that is not the continuing or surviving Person in the relevant consolidation or merger, as a result of a transaction permitted by "*—Certain covenants—Merger and consolidation—The Subsidiary Guarantors.*"

Upon any occurrence giving rise to the release of a Notes Guarantee, as specified above, the Trustee, subject to the receipt of certain documentation, shall take all reasonably necessary actions, including the granting of releases or waivers under the Intercreditor Agreement or any Additional Intercreditor Agreement, to effectuate any release of a Notes Guarantee in accordance with these provisions, subject to customary protections and indemnifications. Each of the releases set forth above shall be effected by the Trustee without any additional consent of the Holders or any other action or consent on the part of the Trustee.

Transfer and exchange

The Senior Secured Notes will be issued in the form of several registered notes in global form without interest coupons, as follows:

- Senior Secured Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the "*144A Global Notes*"). The 144A Global Notes will, on the Issue Date, be deposited with and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream.
- Senior Secured Notes sold outside the United States pursuant to Regulation S under the Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the "*Regulation S Global Notes*" and, together with the 144A Global Notes, the "*Global Notes*"). The Regulation S Global Note will, on the Issue Date, be deposited with and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream.

Ownership of interests in the Global Notes ("*Book-Entry Interests*") will be limited to persons that have accounts with Euroclear and Clearstream or persons that may hold interests through such participants.

Ownership of interests in the Book-Entry Interests and transfers thereof will be subject to the restrictions on transfer and certification requirements summarized below and described more fully under "*Notice to Investors.*" In addition, transfers of Book-Entry Interests between participants in Euroclear or participants in Clearstream will be effected by Euroclear and Clearstream pursuant to customary procedures and subject to the applicable rules and procedures established by Euroclear or Clearstream and their respective participants.

Book-Entry Interests in the 144A Global Notes (the "*144A Book-Entry Interests*") may be transferred to a person who takes delivery in the form of Book-Entry Interests in the Regulation S Global Notes (the "*Regulation S Book-Entry Interests*") denominated in the same currency only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S under the Securities Act.

Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of 144A Book-Entry Interests only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "*Transfer restrictions*" and in accordance with any applicable securities law of any other jurisdiction.

Any Book-Entry Interest that is transferred as described in the immediately preceding paragraphs will, upon transfer, cease to be a Book-Entry Interest in the Global Note from which it was transferred and will become a Book-Entry Interest in the Global Note to which it was transferred. Accordingly, from and after such transfer, it will become subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in the Global Note to which it was transferred.

If Definitive Registered Notes are issued, they will be issued only in minimum denominations of €100,000 principal amount, and integral multiples of €1,000 in excess thereof, upon receipt by the Registrar of instructions relating thereto and any certificates, opinions and other documentation required by the Indenture. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, as applicable, from the participant that owns the relevant Book-Entry Interests. Definitive Registered Notes issued in exchange for a Book-Entry Interest will, except as set forth in the Indenture or as otherwise determined by the Issuer in compliance with applicable law, be subject to, and will have a legend with respect to, the restrictions on transfer summarized below and described more fully under "*Transfer restrictions*."

Subject to the restrictions on transfer referred to above, Notes issued as Definitive Registered Notes may be transferred or exchanged, in whole or in part, in minimum denominations of €100,000 in principal amount and integral multiples of €1,000 in excess thereof. In connection with any such transfer or exchange, the Indenture will require the transferring or exchanging Holder to, among other things, furnish appropriate endorsements and transfer documents, to furnish information regarding the account of the transferee at Euroclear or Clearstream, where appropriate, to furnish certain certificates and opinions, and to pay any Taxes in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the Holder, other than any Taxes payable in connection with such transfer.

Notwithstanding the foregoing, the Registrar and the Transfer Agent are not required to register the transfer or exchange of any Senior Secured Notes:

(1) for a period of 15 days prior to any date fixed for the redemption of the Senior Secured Notes;

(2) for a period of 15 days immediately prior to the date fixed for selection of Senior Secured Notes to be redeemed in part;

(3) for a period of 15 days prior to the record date with respect to any interest payment date; or

(4) which the Holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Asset Disposition Offer.

The Issuer, the Trustee, the Paying Agents, the Transfer Agent and the Registrar will be entitled to treat the registered Holder of a Senior Secured Note as the owner thereof for all purposes.

Restricted Subsidiaries and Unrestricted Subsidiaries

Immediately after the issuance of the Senior Secured Notes, all of the Issuer's Subsidiaries will be Restricted Subsidiaries. However, in the circumstances described below under "*—Certain* *definitions—Unrestricted Subsidiary*," the Issuer will be permitted to designate Restricted Subsidiaries as Unrestricted Subsidiaries. Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Indenture.

Escrow of proceeds; Special Mandatory Redemption

Concurrently with the closing of this offering of Senior Secured Notes on the Issue Date, the Issuer will enter into the Escrow Agreement with the Trustee and the Escrow Agent, pursuant to which the initial purchasers will deposit with the Escrow Agent into the Escrow Account an amount equal to €40.0 million from the gross proceeds of this offering of the Senior Secured Notes sold on the Issue Date. The Escrow Account will be controlled by the Escrow Agent and pledged on a first-ranking basis in favor of the Trustee for the benefit of the holders of the Senior Secured Notes, pursuant to an escrow charge dated the Issue Date between the Issuer and the Trustee (the "*Escrow Charge*"). The initial funds deposited in the Escrow Account, and all other funds, securities, interest, dividends, distributions and other property and payments credited to the Escrow Account (less any property and/or funds paid in accordance with the Escrow Agreement) are referred to, collectively, as the "*Escrowed Property*."

In order to cause the Escrow Agent to release the Escrowed Property to the Issuer (the "*Release*"), the Escrow Agent and the Trustee shall have received from the Issuer, at a time that is on or before the Escrow Longstop Date, an Officer's Certificate, upon which both the Escrow Agent and the Trustee shall conclusively rely, without further investigation or liability, to the effect that:

- the Contemplated ACR Acquisition will be consummated on terms described in this Offering Memorandum under the heading "*Summary—Recent developments—Contemplated ACR Acquisition*," (including on the basis of an enterprise value of the Target of between €55 million and €65 million), promptly following release of the Escrowed Property, except for any changes or other modifications to such terms that will not, individually or when taken as whole, be materially adverse to the interests of the holders of the Senior Secured Notes;
- immediately after consummation of the Contemplated ACR Acquisition, the Issuer will own, directly or indirectly, substantially all of the share capital of the Target; and
- as of the Completion Date, there is no Default or Event of Default under the heading "*Events of Default*" that has occurred and be continuing.

The Release shall occur promptly upon the satisfaction of the conditions set forth above (the date of such satisfaction, the "*Completion Date*"). Upon the Release, the Escrow Account shall be reduced to zero, and the Escrowed Property shall be paid out in accordance with the Escrow Agreement.

In the event that (a) the Completion Date does not take place on or prior to the Escrow Longstop Date, (b) in the reasonable judgment of the Issuer, the Contemplated ACR Acquisition will not be consummated by the Escrow Longstop Date, (c) any Acquisition Agreement is terminated at any time prior to the Escrow Longstop Date, (d) the Contemplated ACR Acquisition is completed with cash provided by proceeds from an equity contribution or Subordinated Shareholder Funding made available by one or more Initial Investors in lieu of using the Escrowed Property, (e) the Initial Investors cease to beneficially own and control a majority of the issued and outstanding Capital Stock of the Issuer or (f) a Default or Event of Default arises under clause (5) of the first paragraph under the heading titled "*Events of Default*" below on or prior to the Escrow Longstop Date (the date of any such event being the "*Special Termination Date*"), the Issuer will redeem €40.0 million in aggregate principal amount of the Senior Secured Notes (the "*Special Mandatory Redemption*") at a price (the "*Special Mandatory Redemption Price*") equal to 100% of the aggregate issue price of the Senior Secured Notes so redeemed, plus accrued but unpaid interest and Additional Amounts, if any, from the Issue Date to the Special Mandatory Redemption Date (as defined below) (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Notice of the Special Mandatory Redemption will be delivered by the Issuer, no later than one Business Day following the Special Termination Date, to the Trustee and the Escrow Agent, and will provide that the Senior Secured Notes shall be redeemed on a date that is no later than the fifth Business Day after such notice is given by the Issuer in accordance with the terms of the Escrow Agreement (the "*Special Mandatory Redemption Date*"). On the Special Mandatory

Redemption Date, the Escrow Agent shall pay to the Paying Agent for payment to each Holder the Special Mandatory Redemption Price for such Holder's Senior Secured Notes and, concurrently with the payment to such Holders, deliver any excess Escrowed Property (if any) to the Issuer.

If less than all of the Senior Secured Notes are to be redeemed at any time, the Paying Agent or the Registrar will select Senior Secured Notes for redemption on a *pro rata* basis (or, in the case of Senior Secured Notes issued in global form as discussed under "*Book-entry, delivery and form*," based on a method that most nearly approximates a *pro rata* selection as the Paying Agent or the Registrar deems fair and appropriate), unless otherwise required by law or applicable stock exchange or depository requirements. The Trustee, the Paying Agent and the Registrar will not be liable for any selections made in accordance with this paragraph. If any Definitive Registered Notes is to be redeemed in part only, a new Definitive Registered Note in principal amount equal to the unredeemed portion of any Definitive Registered Note redeemed in part will be issued in the name of the Holder thereof upon cancellation of the original Definitive Registered Note. In the case of a Global Note, an appropriate notation will be made on such Global Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Subject to the terms of the applicable redemption notice, Senior Secured Notes called for redemption become due on the date fixed for redemption. Unless the Issuer defaults in the payment of the redemption price, on and after the redemption date interest will cease to accrue on Senior Secured Notes or portions of Senior Secured Notes called for redemption.

In the event that the Special Mandatory Redemption Price payable upon such Special Mandatory Redemption exceeds the amount of the Escrowed Property, the Issuer will be required to fund the accrued and unpaid interest, and Additional Amounts, if any, owing to the holders of the Senior Secured Notes. See "*Risk factors—Risks related to our indebtedness and the Notes—The Contemplated ACR Acquisition is subject to significant uncertainties and risks*."

To secure the payment of the Special Mandatory Redemption Price, the Issuer will grant to the Trustee for the benefit of the Holders of the Senior Secured Notes a security interest over the Escrow Account. Receipt by the Trustee of either an Officer's Certificate for the release or a notice of Special Mandatory Redemption (provided funds sufficient to pay the Special Mandatory Redemption Price are in the Escrow Account) shall constitute deemed consent by the Trustee for the release of the Escrowed Property from the Escrow Charge.

If at the time of such Special Mandatory Redemption, the Senior Secured Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, the Issuer will notify the Irish Stock Exchange that the Special Mandatory Redemption has occurred and any relevant details relating to such special mandatory redemption.

Security

General

As of the Issue Date the Senior Secured Notes will be secured, subject to the Intercreditor Agreement (other than with respect to the security interest granted over the Escrowed Property) and certain perfection requirements, by security interests granted on an equal and ratable first-ranking basis over the following property, rights and assets:

(1) the Escrowed Property;

(2) all issued Capital Stock of Dutchco;

(3) all issued Capital Stock of Holdco;

(4) Holdco's bank accounts and Holdco's intragroup receivables;

(5) all issued Capital Stock of the Issuer (other than certain de minimis shareholdings); and

(6) substantially all of the assets of the Issuer, including the Capital Stock of the Additional Guarantor, Magenta Auto Pièces S.A. and SDFM S.A. held by the Issuer, the Issuer's bank accounts and the Issuer's intragroup receivables (collectively, the "*Issue Date Collateral*").

On the Additional Guarantor Accession Date, the Senior Secured Notes will be secured, subject to the Intercreditor Agreement and certain perfection requirements, by security interests granted on an equal and ratable first-ranking basis over (i) the Capital Stock of Commerce Rechange Automobiles S.A.S., Cofirhad S.A.S., Groupement Autodistribution Centre Auvergne "GADCA" S.A.S. and AD Grand Ouest S.A.S. held by the Additional Guarantor, (ii) the Additional Guarantor's material bank accounts and (iii) the Additional Guarantor's intragroup receivables (collectively, the "*Post Issue Date Collateral*").

In addition, if the Completion Date occurs, then within 90 days of the Completion Date the Senior Secured Notes will be secured, subject to the Intercreditor Agreement and certain perfection requirements, by security interests granted on an equal and ratable first-ranking basis over all of the issued Capital Stock of the Target (the "*Post Completion Date Collateral*" and together with the Issue Date Collateral and the Post Issue Date Collateral, the "*Collateral*").

The Collateral relating to rights, property and assets owned by the Dutch Security Providers are collectively referred to herein as the "*Dutchco Security.*" The Dutchco Security and the Collateral relating to the rights, property and assets owned by Holdco are collectively referred to herein as the "*Structural Security.*"

The assets that comprise the Collateral (other than the Escrowed Property) will also secure on a first-ranking basis the obligations of the Issuer and the Guarantors under the Revolving Credit Facility and certain Hedging Obligations. Subject to certain conditions, including compliance with the covenants described under "*—Certain covenants—Impairment of Security Interest*" and "*—Certain covenants—Limitations on Liens,*" the Issuer will be permitted to grant security over the Collateral (other than the Escrowed Property) in connection with future issuances of Indebtedness or Indebtedness of the Restricted Subsidiaries, including Additional Senior Secured Notes, as permitted under the Indenture and the Intercreditor Agreement. Under the terms of the Intercreditor Agreement, the holders of the Senior Secured Notes will receive proceeds from the enforcement of the Collateral (other than the Escrowed Property) only after certain super senior priority obligations have been repaid in full, including (i) obligations under the Revolving Credit Facility, (ii) other Indebtedness Incurred pursuant to the terms of the Indenture that is entitled to rank senior to the Senior Secured Notes with respect to the proceeds of an enforcement of the Collateral and (iii) certain Hedging Obligations.

The Collateral will be pledged pursuant to the Security Documents to the Security Agent on behalf of the holders of the Senior Secured Notes and holders of the other secured obligations that are secured by the Collateral (other than the Escrowed Property). Any other security interests that may in the future be granted to secure obligations under the Senior Secured Notes, any Notes Guarantees and the Indenture would also constitute "Collateral." All Collateral will be subject to any Permitted Collateral Liens.

The Liens on the Collateral will be limited as necessary to recognize certain limitations arising under or imposed by local law and defenses generally available to providers of Collateral (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose or benefit, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law. For a brief description of such limitations, see "*Limitations on validity and enforceability of the Guarantees and the security interests.*"

Subject to the terms of the Security Documents and prior to enforcement of any such Collateral, the Issuer, the Guarantors and the Dutch Security Providers, as the case may be, will have the right to remain in possession and retain exclusive control of the Collateral securing the Senior Secured Notes and the Notes Guarantees, to freely operate the Collateral and to collect, invest and dispose of any income therefrom and, in respect of the shares that are part of the Collateral, will be entitled to exercise any and all voting rights and to receive and retain any and all cash dividends, stock dividends, liquidating dividends, non-cash dividends, shares of stock resulting from stock splits or reclassifications, rights issue, warrants, options and other distributions (whether similar or dissimilar to the foregoing).

As described above, all of the Collateral (other than the Escrowed Property) will also secure the liabilities under the Revolving Credit Facility as well as certain Hedging Obligations and any Additional Senior Secured Notes and may also secure certain future Indebtedness, certain of which is entitled to payment from the proceeds of an enforcement of the Collateral in priority to the Notes. The proceeds from the enforcement of the Collateral may not be sufficient to satisfy the obligations owed to the holders of the Senior Secured Notes.

No appraisals of the Collateral have been made in connection with this offering of the Senior Secured Notes on the Issue Date. By its nature, some or all of the Collateral will be illiquid and may have no readily ascertainable market value. Accordingly, the Collateral may not be able to be sold in a short period of time, or at all. See "*Risk factors—Risks related to our indebtedness and the Notes—The value of the Collateral securing the Notes may not be sufficient to satisfy our obligations under the Notes and such Collateral may be reduced or diluted under certain circumstances.*"

Priority

The relative priority with regard to the security interests in the Collateral (other than the security interest granted over the Escrowed Property, if any) that are created by the Security Documents (the "*Security Interests*" and each, a "*Security Interest*") as between (a) the lenders under the Revolving Credit Facility, (b) the counterparties under certain Hedging Obligations, (c) the Trustee and the Holders of the Senior Secured Notes under the Indenture and (d) the creditors of certain other Indebtedness permitted to be secured by the Collateral, respectively, will be established by the terms of the Intercreditor Agreement, which will provide, among other things, that the obligations under the Revolving Credit Facility, certain Hedging Obligations and the Senior Secured Notes are secured equally and ratably by first-ranking Security Interests; *provided, however,* that the holders of Senior Secured Notes will only receive proceeds from the enforcement of the Collateral (other than the security interest granted over the Escrowed Property, if any) after certain super senior priority obligations have been paid in full, including (i) obligations under the Revolving Credit Facility, (ii) other Indebtedness Incurred pursuant to the terms of the Indenture that is entitled to rank senior to the Senior Secured Notes with respect to the proceeds of an enforcement of the Collateral and (iii) certain Hedging Obligations. See "*Description of certain financing arrangements—Intercreditor Agreement.*" In addition, pursuant to the Intercreditor Agreements or Additional Intercreditor Agreements entered into after the Issue Date, the Collateral (other than the Escrowed Property, if any) may be pledged to secure other Indebtedness, including Indebtedness that is entitled to rank senior to the Senior Secured Notes with respect to the proceeds of an enforcement of the Collateral. See "*—Release of Liens,*" "*—Certain covenants—Impairment of Security Interest*" and "*—Certain definitions—Permitted Collateral Liens.*"

Security Documents

Under the Security Documents, the Issuer and the Guarantors will grant security over the Collateral to secure the payment when due of the Issuer's and the Guarantors' payment obligations under the Senior Secured Notes, the Notes Guarantees and the Senior Secured Notes Indenture. The Security Documents will be entered into by the relevant security provider and the Security Agent as agent for the secured parties. When entering into the Security Documents, the Security Agent will act in its own name, but for the benefit of the secured parties (including itself, the Trustee and the holders of Senior Secured Notes from time to time). Under the Intercreditor Agreement, the Security Agent will also act as an agent of the lenders under the Revolving Credit Facility and the counterparties under certain Hedging Obligations in relation to the Security Interests created in favor of such parties.

In certain jurisdictions, including France and the Netherlands, due to the laws and other jurisprudence governing the creation and perfection of security interests, the relevant Security Documents will secure "parallel debt" obligations created under the Intercreditor Agreement in favor of the Security Agent (and not the obligations under the Senior Secured Notes and the Notes Guarantees). The parallel debt construct has not been fully tested under law in certain of these jurisdictions. See "*Risk factors—Risks related to our indebtedness and the Notes—The security over the Collateral will not be granted directly to the holders of the Notes.*"

Each of the Issuer, the Guarantors and the Dutch Security Providers shall, and shall procure that each of their respective Subsidiaries, if any, shall, at their own expense, execute and do all such acts and things and provide such assurances as the Security Agent may require (i) for registering any Security Document relating to the Collateral in any required register and for perfecting or protecting the security intended to be afforded by such Security Document relating to the

Collateral; and (ii) if such Security Document is enforced in accordance with the terms of the Indenture, the relevant Security Document and the Intercreditor Agreement, for facilitating the realization of all or any part of the assets which are subject to such Security Document and for facilitating the exercise of all powers, authorities and discretions vested in the Security Agent or in any receiver of all or any part of the Collateral. Each of the Issuer, the Guarantors and the Dutch Security Providers shall, and shall procure that each of their respective Subsidiaries, if any, shall, execute such transfers, conveyances, assignments and releases of that property whether to the Security Agent or to its nominees and give such notices, orders and directions which the Security Agent may request.

The Indenture and the Intercreditor Agreement will provide that, to the extent permitted by the applicable laws, only the Security Agent will have the right to enforce the Security Documents on behalf of the Trustee and the holders of the Senior Secured Notes. As a consequence of such contractual provisions, holders of the Senior Secured Notes will not be entitled to take enforcement action in respect of the Collateral securing the Senior Secured Notes, except through the Trustee under the Indenture, who will (subject to the provisions of the Indenture) provide instructions to the Security Agent for the Collateral.

The Indenture will provide that, subject to the terms thereof and of the Security Documents and the Intercreditor Agreement, the Senior Secured Notes and the Indenture, as applicable, will be secured by Security Interests in the Collateral until all obligations under the Senior Secured Notes and the Indenture have been discharged. However, the Security Interests with respect to the Senior Secured Notes and the Indenture may be released under certain circumstances as provided under "*—Release of Liens*."

In the event that Holdco or its Subsidiaries enter into insolvency, bankruptcy or similar proceedings, the Security Interests created under the Security Documents or the rights and obligations enumerated in the Intercreditor Agreement could be subject to potential challenges. If any challenge to the validity of the Security Interests or the terms of the Intercreditor Agreement was successful, the Holders may not be able to recover any amounts under the Security Documents. See "*Risk factors—Risks related to our indebtedness and the Notes*."

Enforcement of Security Interest

The Indenture and the Intercreditor Agreement will restrict the ability of the Holders and the Trustee, on behalf of the Holders, to enforce the Security Interests and provide for the release of the Security Interests created by the Security Documents in certain circumstances upon enforcement by the lenders under the Revolving Credit Facility, certain hedging counterparties and certain future indebtedness permitted under the terms of the Indenture and the Intercreditor Agreement to rank senior to the Notes. These limitations are described under "*Description of certain financing arrangements—Intercreditor Agreement*" and "*Limitations on validity and enforceability of the Guarantees and the security interests*." The ability to enforce may also be restricted by similar arrangements in relation to future Indebtedness that is secured on the Collateral in compliance with the Indenture and the Intercreditor Agreement.

The creditors under the Revolving Credit Facility, the counterparties to Hedging Obligations secured by the Collateral and the Trustee have and, by accepting a Senior Secured Note, each Holder will be deemed to have, appointed the Security Agent to act as its agent under the Intercreditor Agreement and the security documents securing such Indebtedness, including the Security Documents. The creditors under the Revolving Credit Facility, the holders of Senior Secured Notes, the counterparties to Hedging Obligations secured by the Collateral and the Trustee have and, by accepting a Senior Secured Note, each Holder will be deemed to have, authorized the Security Agent to (i) perform the duties and exercise the rights, powers and discretions that are specifically given to it under the Intercreditor Agreement and the security documents securing such Indebtedness, together with any other incidental rights, power and discretions; and (ii) execute each Security Document, waiver, modification, amendment, renewal or replacement expressed to be executed by the Security Agent on its behalf.

Intercreditor Agreement; Additional Intercreditor Agreements; agreement to be bound

The Indenture will provide that the Issuer and the Trustee will be authorized (without any further consent of the holders of the Senior Secured Notes) to enter into the Intercreditor Agreement to give effect to the provisions described in the section entitled "*Description of certain financing arrangements—Intercreditor Agreement*."

The Indenture will also provide that each holder of the Senior Secured Notes, by accepting such Note, will be deemed to have:

(1) appointed and authorized the Security Agent and the Trustee to give effect to the provisions in the Intercreditor Agreement, any Additional Intercreditor Agreements and the Security Documents;

(2) agreed to be bound by the provisions of the Intercreditor Agreement, any Additional Intercreditor Agreements and the Security Documents; and

(3) irrevocably appointed the Security Agent and the Trustee to act on its behalf to enter into and comply with the provisions of the Intercreditor Agreement, any Additional Intercreditor Agreements and the Security Documents.

See the sections entitled "*Risk factors—Risks related to our indebtedness and the Notes—The security over the Collateral will not be granted directly to the holders of the Notes*" and "*Description of certain financing arrangements—Intercreditor Agreement*."

Similar provisions to those described above may be included in any Additional Intercreditor Agreement (as defined below) entered into in compliance with the covenant described under "*—Certain covenants—Additional Intercreditor Agreements*."

Release of Liens

The Collateral will be released from the Liens over such Collateral under any one or more of the following circumstances:

(1) in connection with any sale or other disposition of Collateral to (a) a Person that is not the Issuer or a Restricted Subsidiary (but excluding any transaction subject to "*—Certain covenants—Merger and consolidation*"), if such sale or other disposition does not violate the covenant described under "*—Certain covenants—Limitation on sales of assets and Subsidiary stock*" or is otherwise permitted in accordance with the Indenture or (b) any Restricted Subsidiary; *provided* that this clause 1(b) shall not be relied upon in the case of a transfer of Capital Stock or of accounts receivable (including intercompany loan receivables and hedging receivables) to a Restricted Subsidiary (except to a Receivables Subsidiary) unless the relevant property and assets remain subject to, or otherwise become subject to a Lien in favor of the Senior Secured Notes following such sale or disposal;

(2) in the case of a Guarantor that is released from its Notes Guarantee pursuant to the terms of the Indenture, the release of the property and assets, and Capital Stock, of such Guarantor;

(3) as described under "*—Amendments and waivers*";

(4) upon payment in full of principal, interest and all other obligations on the Senior Secured Notes or legal defeasance, covenant defeasance or satisfaction and discharge of the Senior Secured Notes, as provided in "*—Defeasance*" and "*—Satisfaction and discharge*";

(5) if the Issuer designates any Restricted Subsidiary to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture, the release of the property and assets, and Capital Stock, of such Unrestricted Subsidiary;

(6) with respect to all or part of the Structural Security, only as may be permitted by the covenant described under "*Certain covenants—Maintenance of double Dutchco structure*";

(7) in respect of the Dutchco Security, upon a Change of Control (other than in the context of an enforcement of the Dutchco Security not involving a release in accordance with the next paragraph below); or

(8) as otherwise permitted in accordance with the Indenture.

In addition, the Security Interests created by the Security Documents will be released (a) in accordance with an enforcement action pursuant to the Intercreditor Agreement or any Additional Intercreditor Agreement and (b) as may be permitted by the covenant described under "*—Certain covenants—Impairment of Security Interest*."

The Security Agent and the Trustee (but only if required) will take all necessary action requested by the Issuer to effectuate any release of Collateral securing the Senior Secured Notes and the Notes Guarantees, in accordance with the provisions of the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement and the relevant Security Document. Each of the releases set forth above shall be effected by the Security Agent without the consent of the Holders or any action on the part of the Trustee (unless action is required by it to effect such release). The Security Agent and the Trustee shall be entitled to request and rely solely upon an Officer's Certificate and Opinion of Counsel each certifying which circumstance, as described above, giving rise to a release of Liens has occurred, and that such release fully complies with the indenture.

Optional redemption

Except as described below and except as described under "Redemption for taxation reasons," the Senior Secured Notes are not redeemable until , 2016. On and after , 2016 the Issuer may redeem all or, from time to time, part of the Senior Secured Notes upon not less than 10 nor more than 60 days' notice, at the following redemption prices (expressed as a percentage of principal amount) *plus* accrued and unpaid interest and Additional Amounts (as defined below), if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the twelve-month period beginning on of the years indicated below:

Year	Redemption Price
2016	%
2017	%
2018 and thereafter	100.000%

Prior to , 2016, the Issuer may on any one or more occasions redeem up to 40% of the original principal amount of the Senior Secured Notes issued under the Indenture (including the original principal amount of any Additional Senior Secured Notes), upon not less than 10 nor more than 60 days' notice, with funds in an aggregate amount (the "*Redemption Amount*") not exceeding the Net Cash Proceeds of one or more Equity Offerings at a redemption price of % of the principal amount of the Senior Secured Notes so redeemed, *plus* accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided* that:

(1) at least 60% of the original principal amount of the Senior Secured Notes (including the original principal amount of any Additional Senior Secured Notes) issued under the Indenture remain outstanding after each such redemption; and

(2) the redemption occurs within 180 days after the closing of such Equity Offering.

Prior to , 2017, the Issuer may on any one or more occasions redeem during each calendar year up to 10% of the original principal amount of the Senior Secured Notes (including the original principal amount of any Additional Senior Secured Notes), upon not less than 10 nor more than 60 days' notice, at a redemption price of 103.000% of the principal amount of the Senior Secured Notes so redeemed, plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable redemption date (subject to the right of Holders on the relevant record date to receive interest due on the relevant interest payment date).

In addition, prior to , 2016, the Issuer may redeem all or, from time to time, part of the Senior Secured Notes upon not less than 10 nor more than 60 days' notice at a redemption price equal to 100% of the principal amount of the Senior Secured Notes, *plus* the Applicable Premium *plus* accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

"*Applicable Premium*" means, with respect to any Senior Secured Note the greater of:

(a) 1 % of the principal amount of such Note; and

(b) the excess (to the extent positive) of:

(i) the present value at such redemption date of (1) the redemption price of such Senior Secured Note at , 2016 (such redemption price (expressed in percentage of principal amount) being set forth in the table above under the first paragraph of this section (excluding accrued and unpaid interest)), *plus* (2) all required interest payments due on such Senior Secured Note to and including , 2016 (excluding accrued but unpaid interest), computed upon the redemption date using a discount rate equal to the Bund Rate at such redemption date *plus* 50 basis points; *over*

(ii) the outstanding principal amount of such Senior Secured Note,

as calculated by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate.

For the avoidance of doubt, calculation of Applicable Premium shall not be an obligation or duty of the Trustee or any Paying Agent.

"*Bund Rate*" as selected by the Issuer, means the yield to maturity at the time of computation of direct obligations of the Federal Republic of Germany (*Bunds* or *Bundesanleihen*) with a constant maturity (as officially compiled and published in the most recent financial statistics that has become publicly available at least two Business Days (but not more than five Business Days) prior to the redemption date (or, if such financial statistics are not so published or available, any publicly available source of similar market data selected in good faith by the Board of Directors or a member of Senior Management of the Issuer) most nearly equal to the period from the redemption date to , 2016; *provided*, *however*, that if the period from the redemption date to , 2016, is not equal to the constant maturity of a direct obligation of the Federal Republic of Germany for which a weekly average yield is given, the Bund Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of direct obligations of the Federal Republic of Germany for which such yields are given, except that if the period from such redemption date to , 2016, is less than one year, the weekly average yield on actually traded direct obligations of the Federal Republic of Germany adjusted to a constant maturity of one year shall be used.

Any such redemption and notice may, in the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent.

General

We may repurchase the Senior Secured Notes at any time and from time to time in the open market or otherwise.

Notice of redemption will be provided as set forth under "—*Selection and notice*" below.

If the Issuer effects an optional redemption of Senior Secured Notes, it will, for so long as the Senior Secured Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, inform the Irish Stock Exchange of such optional redemption and confirm the aggregate principal amount of the Senior Secured Notes that will remain outstanding immediately after such redemption.

If the optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest will be paid to the Person in whose name the Senior Secured Note is registered at the close of business on such record date, and no additional interest will be payable to Holders whose Senior Secured Notes will be subject to redemption by the Issuer.

In connection with any redemption of Senior Secured Notes (including with the proceeds from an Equity Offering), any such redemption may, at the Issuer's discretion, be subject to one or more conditions precedent.

No sinking fund

Other than a Special Mandatory Redemption, the Issuer is not required to make mandatory redemption payments or sinking fund payments with respect to the Senior Secured Notes.

Redemption at maturity

On   , 2019, the Issuer will redeem the Senior Secured Notes that have not been previously redeemed or purchased and canceled at 100% of their principal amount *plus* accrued and unpaid interest thereon and Additional Amounts, if any, to the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Selection and notice

If less than all of the Senior Secured Notes are to be redeemed at any time, the Paying Agent or the Registrar will select Senior Secured Notes for redemption on a *pro rata* basis (or, in the case of Senior Secured Notes issued in global form as discussed under "*Book-entry, delivery and form*," based on a method that most nearly approximates a *pro rata* selection as the Paying Agent or the Registrar deems fair and appropriate), unless otherwise required by law or applicable stock exchange or depository requirements. The Trustee, the Paying Agent and the Registrar will not be liable for any selections made in accordance with this paragraph.

For so long as the Senior Secured Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, the Issuer shall publish notice of redemption in a daily newspaper with general circulation in Ireland (which is expected to be the *Irish Times*) and in addition to such publication, not less than 10 nor more than 60 days prior to the redemption date, mail such notice to Holders by first-class mail, postage prepaid, at their respective addresses as they appear on the registration books of the Registrar. Such notice of redemption may instead be published on the website of the Irish Stock Exchange (*www.ise.ie*).

If any Senior Secured Note is to be redeemed in part only, the notice of redemption that relates to that Senior Secured Note shall state the portion of the principal amount thereof to be redeemed. In the case of a Definitive Registered Note, a new Definitive Registered Note in principal amount equal to the unredeemed portion of any Definitive Registered Note redeemed in part will be issued in the name of the Holder thereof upon cancellation of the original Definitive Registered Note. In the case of a Global Note, an appropriate notation will be made on such Global Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Subject to the terms of the applicable redemption notice, Senior Secured Notes called for redemption become due on the date fixed for redemption. Unless the Issuer defaults in the payment of the redemption price, on and after the redemption date interest will cease to accrue on Senior Secured Notes or portions of Senior Secured Notes called for redemption.

Redemption for taxation reasons

The Issuer may redeem the Senior Secured Notes in whole, but not in part, at any time upon giving not less than 10 nor more than 60 days' prior notice to the Holders of the Senior Secured Notes (which notice will be irrevocable) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed for redemption (a "*Tax Redemption Date*") (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) and all Additional Amounts (as defined below under "*—Withholding taxes*"), if any, then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise if the Issuer determines in good faith that, as a result of:

(1) any change in, or amendment to, the law or treaties (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction (as defined below) affecting taxation; or

(2) any amendment to, or change in an official application, administration or written interpretation of such laws, treaties, regulations or rulings (including by reason of a holding, judgment or order by a court of competent jurisdiction or a change in published practice) (each of the foregoing in clauses (1) and (2), a "*Change in Tax Law*"),

a Payor (as defined below) is, or on the next interest payment date in respect of the Senior Secured Notes would be, required to pay Additional Amounts with respect to the Senior Secured Notes (but, in the case of a Guarantor, only if the payment giving rise to such requirement cannot be made by the Issuer or another Guarantor who can make such payment without the obligation to pay Additional Amounts), and such obligation cannot be avoided by taking reasonable measures available to the Payor (including, for the avoidance of doubt, the appointment of a new Paying Agent where this would be reasonable). Such Change in Tax Law must be publicly announced and become effective on or after the Issue Date (or if the applicable Relevant Tax Jurisdiction became a Relevant Tax Jurisdiction on a date after the Issue Date, such later date). The foregoing provisions shall apply (a) to a Guarantor only after such time as such Guarantor is obligated to make at least one payment on the Senior Secured Notes and (b) *mutatis mutandis* to any successor Person, after such successor Person becomes a party to the Indenture, with respect to a change or amendment occurring after the time such successor Person becomes a party to the Indenture.

Any notice of redemption for taxation reasons will be published in accordance with the procedures described under "*—Selection and notice*." Notwithstanding the foregoing, no such notice of redemption will be given earlier than 60 days prior to the earliest date on which the Payor would be obligated to make such payment of Additional Amounts. Prior to the publication or mailing of any notice of redemption of Senior Secured Notes pursuant to the foregoing, the Issuer will deliver to the Trustee (a) an Officer's Certificate stating that it is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right to so redeem have been satisfied and that the Payor cannot avoid its obligation to pay Additional Amounts by taking reasonable measures available to it and (b) an opinion of an independent tax counsel of internationally recognized standing and reasonably satisfactory to the Trustee (such approval not to be unreasonably withheld, conditioned or delayed) to the effect that the Payor has been or will become obligated to pay Additional Amounts as a result of a Change in Tax Law. The Trustee will accept and shall be entitled to rely absolutely and without further inquiry on such Officer's Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, in which event it will be conclusive and binding on the Holders.

Withholding taxes

All payments made by or on behalf of the Issuer or any Guarantor (including any successor entity) (each, a "*Payor*") in respect of the Senior Secured Notes or with respect to any Notes Guarantee, as applicable, will be made free and clear of and without withholding or deduction for, or on account of, any Taxes unless the withholding or deduction of such Taxes is then required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of:

(1) any jurisdiction from or through which payment on any such Senior Secured Note is made or any political subdivision or governmental authority thereof or therein having the power to tax (including the jurisdiction of any Paying Agent); or

(2) any other jurisdiction in which a Payor is organized, engaged in business for tax purposes, or otherwise considered to be a resident for tax purposes, or any political subdivision or governmental authority thereof or therein having the power to tax (each of clause (1) and (2), a "*Relevant Taxing Jurisdiction*"),

will at any time be required by law to be made from any payments made by or on behalf of the Payor or the Paying Agent with respect to any Senior Secured Note or any Notes Guarantee, including payments of principal, redemption price, interest or premium, if any, the Payor will pay (together with such payments) such additional amounts (the "*Additional Amounts*") as may be necessary in order that the net amounts received in respect of such payments, after such withholding or deduction (including any such deduction or withholding from such Additional Amounts), will not be less than the amounts which would have been received in respect of such payments on any such Senior Secured Note or Notes Guarantee in the absence of such withholding or deduction; *provided*, *however*, that no such Additional Amounts will be payable for or on account of:

(1) any Taxes, to the extent such Taxes would not have been so imposed but for the existence of any present or former connection between the relevant Holder (or between a fiduciary, settlor, beneficiary, member, partner or shareholder of, or possessor of power over the relevant Holder, if the relevant Holder is an estate,

nominee, trust, partnership, limited liability company or corporation) and the Relevant Taxing Jurisdiction (including, without limitation, being resident for tax purposes, or being a citizen or resident or national of, or carrying on a business or maintaining a permanent establishment in, or being physically present in, the Relevant Taxing Jurisdiction) but excluding, in each case, any connection arising solely from the acquisition, ownership or holding of such Senior Secured Note or the receipt of any payment or the exercise or enforcement of rights under such Senior Secured Note, the Indenture or a Notes Guarantee;

(2) any Taxes, to the extent such Taxes are imposed or withheld by reason of the failure by the Holder or the beneficial owner of the Senior Secured Note to comply with a reasonable written request of the Payor addressed to the Holder or beneficial owner, after reasonable notice (at least 30 days before any such withholding or deduction would be payable), to provide certification, information, documents or other evidence concerning the nationality, residence or identity of the Holder or such beneficial owner or to make any declaration or similar claim or satisfy any other reporting requirement relating to such matters, which is required by a statute, treaty, regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from all or part of such Tax but only to the extent the Holder or beneficial owner is legally entitled to provide such certification or documentation;

(3) any Taxes, to the extent that such Taxes are imposed as a result of the presentation of the Senior Secured Note for payment (where Notes are in the form of Definitive Registered Notes and presentation is required) more than 30 days after the later of the applicable payment date or the date on which the relevant payment is first made available for payment to the Holder (except to the extent that the Holder would have been entitled to Additional Amounts had the Senior Secured Note been presented on the last day of such 30 day period);

(4) any Taxes that are payable otherwise than by deduction or withholding from a payment on the Senior Secured Notes or with respect to any Notes Guarantee;

(5) any estate, inheritance, gift, sales, excise, transfer, personal property or similar Tax;

(6) any Taxes that are required to be deducted or withheld on a payment to an individual pursuant to the Directive or any law implementing, or complying with, or introduced in order to conform to, such Directive;

(7) any Taxes imposed in connection with a Senior Secured Note presented for payment by or on behalf of a Holder or beneficial owner who would have been able to avoid such Taxes by presenting the relevant Senior Secured Note to, or otherwise accepting payment from, another Paying Agent in a member state of the European Union;

(8) any Taxes imposed pursuant to section 1471(b) of the U.S. Internal Revenue Code or otherwise imposed pursuant to sections 1471 through 1474 of the U.S. Internal Revenue Code, in each case, as of the Issue Date (or any amended or successor version that is substantively comparable), any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental agreement relating thereto; or

(9) any combination of the items (1) through (8) above.

In addition, no Additional Amounts shall be paid with respect to a Holder who is a fiduciary or a partnership or any person other than the beneficial owner of the Senior Secured Notes, to the extent that the beneficiary or settlor with respect to such fiduciary, the member of such partnership or the beneficial owner would not have been entitled to Additional Amounts had such beneficiary, settlor, member or beneficial owner held such Senior Secured Notes directly.

The Payor will (i) make any required withholding or deduction and (ii) remit the full amount deducted or withheld to the Relevant Taxing Jurisdiction in accordance with applicable law. The Payor will provide certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Relevant Taxing Jurisdiction imposing such Taxes, or if such tax receipts are not available, certified copies or other reasonable evidence of such payments as soon as reasonably practicable to the Trustee. Such copies shall be made available to the Holders upon reasonable request and will be made available at the offices of the Paying Agent.

If any Payor is obligated to pay Additional Amounts under or with respect to any payment made on any Senior Secured Note or any Notes Guarantee, at least 30 days prior to the date of such payment, the Payor will deliver to the Trustee an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable and such other information necessary to enable the Paying Agent to pay Additional Amounts on the relevant payment date (unless such obligation to pay Additional Amounts arises less than 45 days prior to the relevant payment date, in which case the Payor may deliver such Officer's Certificate as promptly as practicable thereafter). The Trustee shall be entitled to rely solely on such Officer's Certificate as conclusive proof that such payments are necessary.

Wherever in the Indenture, the Senior Secured Notes or this "*Description of the Senior Secured Notes*" there is mentioned, in any context:

(1) the payment of principal;

(2) purchase prices in connection with a purchase of Senior Secured Notes;

(3) interest; or

(4) any other amount payable on or with respect to any of the Senior Secured Notes or any Notes Guarantee,

such reference shall be deemed to include payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Payor will pay and (where applicable) reimburse each applicable Holder for any present or future stamp, issue, registration, court or documentary taxes, or similar charges or levies (including any related interest or penalties with respect thereto) or any other excise, property or similar taxes or similar charges or levies (including any related interest or penalties with respect thereto) that arise in a Relevant Taxing Jurisdiction from the execution, issuance, delivery, initial resale, registration, enforcement of, or receipt of payments with respect to any Senior Secured Notes, any Notes Guarantee, the Indenture, or any other document or instrument in relation thereto (other than in each case, in connection with a transfer of the Senior Secured Notes after this Offering).

The foregoing obligations will survive any termination, defeasance or discharge of the Indenture, any transfer by a Holder or beneficial owner, and will apply *mutatis mutandis* to any jurisdiction in which any successor to a Payor is organized, engaged in business for tax purposes or otherwise resident for tax purposes, or any jurisdiction from or through which any payment under, or with respect to the Senior Secured Notes (or any Notes Guarantee) is made by or on behalf of such Payor, or any political subdivision or taxing authority or agency thereof or therein.

Change of Control

If a Change of Control occurs, subject to the terms of the covenant described under this heading "*Change of Control*," each Holder will have the right to require the Issuer to repurchase all or any part (equal to €100,000 or integral multiples of €1,000 in excess thereof; *provided* that Senior Secured Notes of €100,000 or less may only be redeemed in whole and not in part) of such Holder's Senior Secured Notes at a purchase price in cash equal to 101% of the principal amount of the Senior Secured Notes repurchased, *plus* accrued and unpaid interest and Additional Amounts, if any, to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided*, *however*, that the Issuer shall not be obligated to repurchase Senior Secured Notes as described under this heading, "Change of Control," in the event and to the extent that it has unconditionally exercised its right to redeem all of the Senior Secured Notes and given notice of redemption as described under "*—Optional redemption*" and that all conditions to such redemption have been satisfied or waived.

Unless the Issuer has unconditionally exercised its right to redeem all the Senior Secured Notes and given notice of redemption as described under "*—Optional redemption*" and all conditions to such redemption have been satisfied or waived, no later than the date that is 60 days after any Change of Control, the Issuer will mail a notice (the "*Change of Control Offer*") to each Holder of any such Senior Secured Notes, with a copy to the Trustee:

(1) stating that a Change of Control has occurred or may occur and that such Holder has the right to require the Issuer to purchase all or any part of such Holder's Senior

Secured Notes at a purchase price in cash equal to 101% of the principal amount of such Senior Secured Notes *plus* accrued and unpaid interest and Additional Amounts, if any, to, but not including, the date of purchase (subject to the right of Holders of record on a record date to receive interest on the relevant interest payment date) (the "*Change of Control Payment*");

(2) stating the repurchase date (which shall be no earlier than 10 days nor later than 60 days from the date such notice is mailed) (the "*Change of Control Payment Date*");

(3) stating that any Senior Secured Note accepted for payment pursuant to the Change of Control Offer will cease to accrue interest on the Change of Control Payment Date unless the Change of Control Payment is not paid, and that any Senior Secured Notes or part thereof not tendered will continue to accrue interest;

(4) describing the circumstances and relevant facts regarding the transaction or transactions that constitute the Change of Control;

(5) describing the procedures determined by the Issuer, consistent with the Indenture, that a Holder must follow in order to have its Senior Secured Notes repurchased; and

(6) if such notice is mailed prior to the occurrence of a Change of Control, stating that the Change of Control Offer is conditional on the occurrence of such Change of Control.

On the Change of Control Payment Date, if the Change of Control shall have occurred, the Issuer will, to the extent lawful:

(1) accept for payment all Senior Secured Notes or portion thereof properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Senior Secured Notes so tendered;

(3) deliver or cause to be delivered to the Trustee an Officer's Certificate stating the aggregate principal amount of Senior Secured Notes or portions of the Senior Secured Notes being purchased by the Issuer in the Change of Control Offer;

(4) in the case of Global Notes, deliver, or cause to be delivered, to the Trustee (or an authenticating agent) the Global Notes in order to reflect thereon the portion of such Senior Secured Notes or portions thereof that have been tendered to and purchased by the Issuer; and

(5) in the case of Definitive Registered Notes, deliver, or cause to be delivered, to the relevant Registrar for cancellation all Definitive Registered Notes accepted for purchase by the Issuer.

If any Definitive Registered Notes have been issued, the Paying Agent will promptly mail to each Holder of Definitive Registered Notes so tendered the Change of Control Payment for such Senior Secured Notes, and the Trustee (or an authenticating agent) will, at the cost of the Issuer, promptly authenticate and mail (or cause to be transferred by book-entry) to each Holder of Definitive Registered Notes a new Definitive Registered Note equal in principal amount to the unpurchased portion of the Senior Secured Notes surrendered, if any; *provided* that each such new Senior Secured Note will be in a principal amount that is at least €100,000 and integral multiples of €1,000 in excess thereof.

For so long as the Senior Secured Notes are listed on the Irish Stock Exchange and the rules of such exchange so require, the Issuer will publish notices relating to the Change of Control Offer in a daily newspaper with general circulation in Ireland (which is expected to be the *Irish Times*) or to the extent and in the manner permitted by such rules, post such notices on the official website of the Irish Stock Exchange (*www.ise.ie*).

Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the Holders to require that the Issuer repurchase or redeem the Senior Secured Notes in the event of a takeover, recapitalization or similar transaction. Holders' right to require the Issuer to repurchase Senior Secured Notes upon the occurrence of a Change of Control may deter a third party from seeking to acquire the Issuer or its Subsidiaries in a transaction that would constitute a Change of Control.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Senior Secured Notes validly tendered and not withdrawn under such Change of Control Offer. Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place providing for the Change of Control at the time the Change of Control Offer is made.

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Senior Secured Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations conflict with provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control provisions of the Indenture by virtue of such compliance.

The Issuer's ability to repurchase Senior Secured Notes issued by it pursuant to a Change of Control Offer may be limited by a number of factors. The occurrence of certain of the events that constitute a Change of Control would require a mandatory prepayment of Indebtedness under the Revolving Credit Facility. In addition, certain events that may constitute a change of control under the Revolving Credit Facility and require a mandatory prepayment of Indebtedness under such agreement may not constitute a Change of Control under the Indenture. Future Indebtedness of the Issuer or its Subsidiaries may also contain prohibitions of certain events that would constitute a Change of Control or require such Indebtedness to be repurchased upon a Change of Control. Moreover, the exercise by the Holders of their right to require the Issuer to repurchase the Senior Secured Notes could cause a default under, or require a repurchase of, such Indebtedness, even if the Change of Control itself does not, due to the financial effect of such repurchase on the Issuer. Finally, the Issuer's ability to pay cash to the Holders upon a repurchase may be limited by the Issuer's then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make any required repurchases. See "*Risk factors—Risks related to our indebtedness and the Notes—We may not have the ability to raise the funds necessary to finance an offer to repurchase the Notes upon the occurrence of certain events constituting a change of control as required by the Indenture, and the change of control provision contained in the Indenture may not necessarily afford you protection in the event of certain important corporate events*."

In addition, if an event that constitutes a Change of Control, the definitions of "*Change of Control*" and "*Permitted Holders*" expressly permit a third party to obtain control of the Issuer in a transaction which is a Specified Change of Control Event without any obligation to make a Change of Control Offer.

The definition of "Change of Control" includes a disposition, in one or a series of related transactions, of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries taken as a whole to specified other Persons. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the assets of the Issuer and its Restricted Subsidiaries taken as a whole. As a result, it may be unclear as to whether a Change of Control has occurred and whether a Holder may require the Issuer to make an offer to repurchase the Senior Secured Notes as described above.

The provisions of the Indenture relating to the Issuer's obligation to make an offer to repurchase the Senior Secured Notes as a result of a Change of Control may be waived or modified with the written consent of Holders of a majority in outstanding principal amount of the Senior Secured Notes.

Certain covenants

Limitation on Indebtedness

The Issuer will not, and will not permit any Restricted Subsidiary to, Incur any Indebtedness (including Acquired Indebtedness); *provided*, *however*, that the Issuer and any Restricted Subsidiary may Incur Indebtedness (including Acquired Indebtedness) if on the date of such Incurrence, after giving *pro forma* effect to the Incurrence of such Indebtedness (including *pro forma* application of the proceeds thereof), (1) the Fixed Charge Coverage Ratio for the Issuer and its Restricted Subsidiaries would have been at least 2.0 to 1.0; and (2) to the extent that the Indebtedness is Senior Secured Indebtedness, the Consolidated Senior Secured Leverage Ratio for the Issuer and its Restricted Subsidiaries would have been no greater than 3.75 to 1.0; *provided* that the aggregate principal amount of such Indebtedness that may be incurred pursuant to this paragraph and clause (11) of the definition of Permitted Debt by Restricted Subsidiaries that are not Guarantors will not exceed €10.0 million.

The first paragraph of this covenant will not prohibit the Incurrence of the following Indebtedness ("*Permitted Debt*"):

(1) Indebtedness Incurred by the Issuer or any Restricted Subsidiary pursuant to any Credit Facility (including in respect of letters of credit or bankers' acceptances issued or created thereunder), and any Refinancing Indebtedness in respect thereof and Guarantees in respect of such Indebtedness in a maximum aggregate principal amount at any time outstanding not exceeding (i) the greater of €30.0 million and 55% of Consolidated EBITDA, *plus* (ii) in the case of any refinancing of any Indebtedness permitted under this clause (1) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses Incurred in connection with such refinancing;

(2) (a) Guarantees by the Issuer or any Restricted Subsidiary of Indebtedness of the Issuer or any Restricted Subsidiary, so long as the Incurrence of such Indebtedness is permitted to be Incurred by another provision of this covenant; or

(b) without limiting the covenant described under "*—Limitation on Liens*," Indebtedness arising by reason of any Lien granted by or applicable to such Person securing Indebtedness of the Issuer or any Restricted Subsidiary so long as the Incurrence of such Indebtedness is permitted under the terms of the Indenture;

(3) Indebtedness of the Issuer owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by the Issuer or any Restricted Subsidiary; *provided*, *however*, that:

(a) if the Issuer or a Guarantor is the obligor on any such Indebtedness and the obligee is not the Issuer or a Guarantor, such Indebtedness is unsecured and if the aggregate principal amount of such Indebtedness of the Issuer or such Guarantor exceeds €10.0 million, to the extent legally permitted (the Issuer and the Restricted Subsidiaries having completed all procedures required in the reasonable judgment of directors or officers of the obligee or obligor to protect such Persons from any penalty or civil or criminal liability in connection with the subordination of such Indebtedness), it is expressly subordinated to the prior payment in full in cash of all obligations with respect to the Senior Secured Notes, in the case of the Issuer, or the applicable Notes Guarantee, in the case of a Guarantor, pursuant to the Intercreditor Agreement or any Additional Intercreditor Agreement;

(b) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being beneficially held by a Person other than the Issuer or a Restricted Subsidiary and any sale or other transfer of any such Indebtedness to a Person other than the Issuer or a Restricted Subsidiary shall be deemed, in each case, to constitute an Incurrence of such Indebtedness not permitted by this clause (3) by the Issuer or such Restricted Subsidiary, as the case may be;

(4) (a) Indebtedness represented by the Senior Secured Notes (other than any Additional Senior Secured Notes) and any "parallel debt" obligations related to the Senior Secured Notes under the Intercreditor Agreement or any Additional Intercreditor Agreement;

(b) (i) any Indebtedness of the Issuer or a Restricted Subsidiary (other than Indebtedness Incurred under the Revolving Credit Facility or Indebtedness described in clause (3) of this paragraph) outstanding on the Issue Date;

(c) Refinancing Indebtedness Incurred in respect of any Indebtedness described in clauses (4), (5) and (13) of this paragraph or Incurred pursuant to the first paragraph of this covenant; and

(d) Guarantees of any Management Advances;

(5) Indebtedness of any Person (i) outstanding on the date on which such Person becomes a Restricted Subsidiary of the Issuer or any Restricted Subsidiary or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Issuer or any Restricted Subsidiary or (ii) Incurred to provide all or a portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Issuer or a Restricted Subsidiary; *provided* that, with respect to this clause (5), at the time of such acquisition or other transaction and after giving *pro forma* effect to such acquisition or other transaction and to the related Incurrence of Indebtedness, (x) either (A) the Issuer would have been able to Incur €1.00 of additional Indebtedness pursuant to the first paragraph of this covenant or (B) the Fixed Charge Coverage Ratio for the Issuer and its Restricted Subsidiaries would not be less than it was immediately prior to giving effect to such acquisition or other transaction and to the related Incurrence of Indebtedness and (y) to the extent that the Indebtedness incurred under sub-clause (ii) of this clause (5) constitutes Senior Secured Indebtedness, either (A) the Issuer would have been able to Incur €1.00 of additional Senior Secured Indebtedness pursuant to the first paragraph of this covenant or (B) the Consolidated Senior Secured Leverage Ratio for the Issuer and its Restricted Subsidiaries would not be greater than it was immediately prior to giving effect to such acquisition or other transaction and the related Incurrence of Indebtedness;

(6) Indebtedness under Currency Agreements, Interest Rate Agreements and Commodity Hedging Agreements not for speculative purposes (as determined in good faith by the Board of Directors or a member of Senior Management of the Issuer);

(7) Indebtedness consisting of (A) Capitalized Lease Obligations, mortgage financings, Purchase Money Obligations or other financings, Incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment used or useful in a Similar Business or (B) Indebtedness otherwise Incurred to finance the purchase, lease, rental or cost of design, construction, installation or improvement of property (real or personal) or equipment that is used or useful in a Similar Business, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets, and any Indebtedness which refinances, replaces or refunds such Indebtedness, in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (7) and then outstanding, will not exceed at any time outstanding the greater of €10.0 million and 1.5 % of Total Assets; *provided* that the Indebtedness exists on the date of such purchase, lease, rental or improvement or is created within 180 days thereafter;

(8) Indebtedness in respect of (a) workers' compensation claims, self-insurance obligations, performance, indemnity, surety, judgment, appeal, advance payment, customs, VAT or other tax or other guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by the Issuer or a Restricted Subsidiary or relating to liabilities, obligations or guarantees Incurred in the ordinary course of business or in respect of any governmental requirement, (b) the

financing of insurance premiums in the ordinary course of business and (c) any customary cash management, cash pooling or netting or setting off arrangements in the ordinary course of business;

(9) Indebtedness arising from agreements providing for customary guarantees, indemnification, obligations in respect of earnouts or other adjustments of purchase price or, in each case, similar obligations, in each case, Incurred or assumed in connection with the acquisition or disposition of any business or assets or Person or any Capital Stock of a Subsidiary (other than Guarantees of Indebtedness Incurred by any Person acquiring or disposing of such business or assets or such Subsidiary for the purpose of financing such acquisition or disposition); *provided* that the maximum liability of the Issuer and its Restricted Subsidiaries in respect of all such Indebtedness shall at no time exceed the gross proceeds, including the fair market value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by the Issuer and its Restricted Subsidiaries in connection with such disposition;

(10) (a) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided*, *however*, that such Indebtedness is extinguished within 30 Business Days of Incurrence;

(b) customer deposits and advance payments received in the ordinary course of business from customers for goods or services purchased in the ordinary course of business;

(c) Indebtedness owed on a short-term basis of no longer than 30 days to banks and other financial institutions Incurred in the ordinary course of business of the Issuer and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Issuer and its Restricted Subsidiaries; and

(d) Indebtedness Incurred by the Issuer or a Restricted Subsidiary in connection with bankers' acceptances, discounted bills of exchange or the discounting or factoring of receivables for credit management of bad debt purposes, in each case Incurred or undertaken in the ordinary course of business;

(11) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this clause (11) and then outstanding, will not exceed €30.0 million; *provided* that the aggregate principal amount of such Indebtedness that maybe incurred pursuant to the first paragraph of this covenant and this clause (11) by Restricted Subsidiaries that are not Guarantors will not exceed €10.0 million;

(12) Indebtedness Incurred by the Issuer or any Restricted Subsidiary in a Qualified Receivables Financing;

(13) Indebtedness of the Issuer and the Guarantors in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this clause (13) and then outstanding, will not exceed 100% of the Net Cash Proceeds received by the Issuer from the issuance or sale (other than to a Restricted Subsidiary) of its Subordinated Shareholder Funding or Capital Stock (other than Disqualified Stock, Designated Preference Shares or an Excluded Contribution) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock, Designated Preference Shares or an Excluded Contribution) of the Issuer, in each case, subsequent to the Issue Date (excluding the Equity Contributions); *provided*, *however*, that (i) any such Net Cash Proceeds that are so received or contributed shall be excluded for purposes of making Restricted Payments under the first paragraph and clauses (1), (6) and (10) of the third paragraph of the covenant described below under "*—Limitation on Restricted Payments*" to the extent the Issuer or any Restricted Subsidiary Incurs Indebtedness in reliance thereon and (ii) any Net Cash Proceeds that are so received or contributed shall be excluded for purposes of Incurring Indebtedness pursuant to this clause (13) to the extent the Issuer or any Restricted

Subsidiary makes a Restricted Payment under the first paragraph and clauses (1), (6) and (10) of the third paragraph of the covenant described under "*—Limitation on Restricted Payments*" in reliance thereon; and

(14) Indebtedness Incurred by the Issuer or any Restricted Subsidiary pursuant to any CICE Financing or local working capital facility in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this clause (14) and then outstanding, will not exceed €35.0 million; and

(15) Existing ACR Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this clause (15) and then outstanding, will not exceed €5.0 million.

For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this covenant:

(1) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in the first and second paragraphs of this covenant, the Issuer, in its sole discretion, will classify, and may from time to time reclassify, such item of Indebtedness and only be required to include the amount and type of such Indebtedness in one of the clauses of the second paragraph or the first paragraph of this covenant;

(2) (a) all Indebtedness outstanding on the Issue Date under the Revolving Credit Facility shall be deemed initially Incurred under clause (1) of the second paragraph of this covenant and not the first paragraph or clause (4)(b) of the second paragraph of this covenant, and may not be reclassified; and

(b) all Indebtedness incurred under clause (1) of the second paragraph of this covenant that is secured by Liens on the Collateral that is accorded super senior priority status with respect to proceeds of enforcement of Collateral under the Intercreditor Agreement or any Additional Intercreditor Agreement may not be reclassified;

(3) Guarantees of, or obligations in respect of letters of credit, bankers' acceptances or other similar instruments relating to, or Liens securing, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included;

(4) if obligations in respect of letters of credit, bankers' acceptances or other similar instruments are Incurred pursuant to any Credit Facility and are being treated as Incurred pursuant to clause (1), (7), (11), (13), (14) or (15) of the second paragraph above or the first paragraph above and the letters of credit, bankers' acceptances or other similar instruments relate to other Indebtedness, then such other Indebtedness shall not be included;

(5) the principal amount of any Disqualified Stock of the Issuer or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;

(6) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness;

(7) the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined on the basis of IFRS; and

(8) accrual of interest, accrual of dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest in the form of additional Indebtedness, the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock or the reclassification of commitments or

obligations not treated as Indebtedness due to a change in IFRS will not be deemed to be an Incurrence of Indebtedness for purposes of the covenant described under this "*—Limitation on Indebtedness.*" The amount of any Indebtedness outstanding as of any date shall be (a) the accreted value thereof in the case of any Indebtedness issued with original issue discount and (b) the principal amount, or liquidation preference thereof, in the case of any other Indebtedness.

If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be Incurred by such Restricted Subsidiary as of such date (and, if such Indebtedness is not permitted to be Incurred as of such date under the covenant described under this "*—Limitation on Indebtedness*," the Issuer shall be in Default of this covenant).

For purposes of determining compliance with any euro-denominated restriction on the Incurrence of Indebtedness, the Euro Equivalent of the principal amount of Indebtedness denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or first committed or first Incurred (whichever yields the lower Euro Equivalent), in the case of Indebtedness Incurred under a revolving credit facility; *provided* that (a) if such Indebtedness is Incurred to refinance other Indebtedness denominated in a currency other than euro, and such refinancing would cause the applicable euro-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such euro-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the amount set forth in clause (2) of the definition of "*Refinancing Indebtedness*"; (b) the Euro Equivalent of the principal amount of any such Indebtedness outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date; and (c) if any such Indebtedness that is denominated in a different currency is subject to a Currency Agreement (with respect to the euro) covering principal amounts payable on such Indebtedness, the amount of such Indebtedness expressed in euro will be adjusted to take into account the effect of such agreement.

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Issuer or a Restricted Subsidiary may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

Neither the Issuer nor any Guarantor will Incur any Indebtedness (including Permitted Debt) that is contractually subordinated in right of payment to any other Indebtedness of the Issuer or any Guarantor unless such Indebtedness is also contractually subordinated in right of payment to the Senior Secured Notes and the applicable Notes Guarantee, if any, on substantially identical terms; *provided*, *however*, that no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Issuer or any Guarantor solely by virtue of being unsecured or by virtue of being secured with different collateral or by virtue of being secured on a junior priority basis or by virtue of the application of waterfall or other payment ordering provisions affecting different tranches of Indebtedness.

No Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Issuer or any Guarantor solely by virtue of being unsecured or by virtue of being secured on a first or junior Lien basis.

Limitation on Restricted Payments

The Issuer will not, and will not permit any Restricted Subsidiary, directly or indirectly, to:

(1) declare or pay any dividend or make any other payment or distribution on or in respect of the Issuer's or any Restricted Subsidiary's Capital Stock (including any payment in connection with any merger or consolidation involving the Issuer or any Restricted Subsidiary) except:

(a) dividends or distributions payable in Capital Stock of the Issuer (other than Disqualified Stock) or in Subordinated Shareholder Funding; and

(b) dividends or distributions payable to the Issuer or a Restricted Subsidiary (and, in the case of any such Restricted Subsidiary making such dividend or distribution, to holders of its Capital Stock other than the Issuer or another Restricted Subsidiary on no more than a *pro rata* basis);

(2) purchase, redeem, retire or otherwise acquire for value any Capital Stock of the Issuer or any direct or indirect Parent of the Issuer held by Persons other than the Issuer or a Restricted Subsidiary;

(3) make any principal payment on, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Indebtedness (other than (a) any such payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement or in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case, due within one year of the date of payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement and (b) any Indebtedness Incurred pursuant to clause (3) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*");

(4) make any payment (whether of principal, interest or other amounts) on, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value any Subordinated Shareholder Funding (other than any payment of interest thereon in the form of additional Subordinated Shareholder Funding); or

(5) make any Restricted Investment in any Person,

(each such dividend, distribution, payment, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in clauses (1) through (5) is referred to herein as a "*Restricted Payment*"), if at the time the Issuer or such Restricted Subsidiary makes such Restricted Payment:

(a) a Default shall have occurred and be continuing (or would result immediately thereafter therefrom);

(b) the Issuer is not able to Incur an additional €1.00 of Indebtedness pursuant to the first paragraph of the covenant described under "*—Limitation on Indebtedness*" after giving effect, on a *pro forma* basis, to such Restricted Payment; or

(c) the aggregate amount of such Restricted Payment and all other Restricted Payments made subsequent to the Issue Date (and not returned or rescinded) (including Permitted Payments permitted below by clauses (5), (10), (11) or (17) of the second succeeding paragraph, but excluding all other Restricted Payments permitted by the second succeeding paragraph) would exceed the sum of (without duplication):

(i) 50% of Consolidated Net Income for the period (treated as one accounting period) from the first day of the fiscal quarter commencing immediately prior to the Issue Date to the end of the most recent fiscal quarter ending prior to the date of such Restricted Payment for which internal consolidated financial statements of the Issuer are available (or, in the case such Consolidated Net Income is a deficit, minus 100% of such deficit);

(ii) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by the Issuer from the issue or sale of its Capital Stock (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding subsequent to the Issue Date or otherwise contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Issuer subsequent to the Issue Date (other than (w) Subordinated Shareholder Funding or Capital Stock in each case sold to a Subsidiary of the Issuer, (x) Net Cash Proceeds or property or assets or marketable securities received from an issuance or sale of such Capital Stock to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of its employees to the extent funded by the Issuer or any Restricted Subsidiary, (y) Net Cash Proceeds or property or assets or marketable securities to the extent that any Restricted Payment has been made from such proceeds in reliance on clauses (1) or (6) of the second succeeding paragraph and (z) Excluded Contributions);

(iii) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by the Issuer or any Restricted Subsidiary from the issuance or sale (other than to the Issuer or a Restricted Subsidiary of the Issuer or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of its employees to the extent funded by the Issuer or any Restricted Subsidiary) by the Issuer or any Restricted Subsidiary subsequent to the Issue Date of any Indebtedness that has been converted into or exchanged for Capital Stock of the Issuer (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding (plus the amount of any cash, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities received by the Issuer or any Restricted Subsidiary upon such conversion or exchange) but excluding (x) Disqualified Stock or Indebtedness issued or sold to a Subsidiary of the Issuer, (y) Net Cash Proceeds to the extent that any Restricted Payment has been made from such proceeds in reliance on clauses (1) or (6) of the second succeeding paragraph and (x) Excluded Contributions;

(iv) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by the Issuer or any Restricted Subsidiary (other than to the Issuer or a Restricted Subsidiary of the Issuer or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of its employees to the extent funded by the Issuer or any Restricted Subsidiary) from the disposition of any Unrestricted Subsidiary or the disposition or repayment of any Investment constituting a Restricted Payment made after the Issue Date;

(v) in the case of the designation of an Unrestricted Subsidiary as a Restricted Subsidiary or all of the assets of such Unrestricted Subsidiary are transferred to the Issuer or a Restricted Subsidiary, or the Unrestricted Subsidiary is merged or consolidated into the Issuer or a Restricted Subsidiary, 100% of such amount received in cash and the fair market value of any property or marketable securities received by the Issuer or any Restricted Subsidiary in respect of such redesignation, merger, consolidation or transfer of assets, excluding the amount of any Investment in such Unrestricted Subsidiary that constituted a Permitted Investment made pursuant to clause (11) of the definition of "*Permitted Investment*"; and

(vi) subject to the limitations in clause (2) of the definition of "*Consolidated Net Income*," 100% of any dividends or distributions received by the Issuer or a Restricted Subsidiary after the Issue Date from an Unrestricted Subsidiary, to the extent that such dividend or distribution does not reduce the amount of Investments outstanding under clause (11) of the definition of "*Permitted Investment*,"

provided, however, that no amount will be included in Consolidated Net Income for purposes of the preceding clause (i) to the extent that it is (at the Issuer's option) included in the foregoing clauses (iv), (v) or (vi).

Notwithstanding the foregoing, any amounts (such amounts, the "*Excluded Amounts*") that would otherwise be included in the calculation of the amount available for Restricted Payments pursuant to sub-clauses (ii) or (iii) of the preceding clause (c) will be excluded to the extent (1) such amounts result from the receipt of Net Cash Proceeds, property or assets or marketable securities received in contemplation of, or in connection with, an event that would otherwise constitute a Change of Control pursuant to the definition thereof, (2) the purpose and effect of the receipt of such proceeds, property or assets or marketable securities was to repay indebtedness to reduce the Consolidated Leverage Ratio of the Issuer so that there would be an occurrence of a Specified Change of Control Event that would not have been achieved without the receipt of such proceeds, property or assets or marketable securities and (3) no Change of Control Offer is made in accordance with the requirements of the Indenture.

The fair market value of property or assets other than cash covered by the preceding sentence shall be the fair market value thereof as determined in good faith by an officer of the Issuer, or, if such fair market value exceeds €7.5 million, by the Board of Directors.

The foregoing provisions will not prohibit any of the following (collectively, "*Permitted Payments*"):

(1) any Restricted Payment made by exchange (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares pursuant to clause (12) of this paragraph) for, or out of the proceeds of the substantially concurrent sale (other than to a Subsidiary of the Issuer) of, Capital Stock of the Issuer (other than Disqualified Stock or Designated Preference Shares), Subordinated Shareholder Funding or a substantially concurrent contribution to the equity (other than the issuance of Disqualified Stock or Designated Preference Shares or as an Excluded Contribution) of the Issuer; *provided*, *however*, that to the extent so applied, the Net Cash Proceeds, or fair market value (as determined in accordance with the preceding sentence) of property or assets or of marketable securities, from such sale of Capital Stock or Subordinated Shareholder Funding or such contribution will be excluded from clause (c)(ii) of the first paragraph of this covenant and will not be considered Excluded Contributions or Net Cash Proceeds from an Equity Offering for the purposes of the "*Optional redemption*" provisions of the Indenture;

(2) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness made by exchange for, or out of the proceeds of the substantially concurrent sale of, Refinancing Indebtedness permitted to be Incurred pursuant to the covenant described under "*—Limitation on Indebtedness*" above;

(3) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Preferred Stock of a Restricted Subsidiary made by exchange for or out of the proceeds of the substantially concurrent sale of Preferred Stock of the Issuer or a Restricted Subsidiary that, in the case of Preferred Stock of a Restricted Subsidiary, is permitted to be Incurred pursuant to the covenant described under "*—Limitation on Indebtedness*" above;

(4) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness (other than Subordinated Shareholder Funding):

  (a) (i) from Net Available Cash to the extent permitted under "*—Limitation on sales of assets and Subsidiary stock*," but only if the Issuer shall have first complied with the terms described under "*—Limitation on sales of assets and Subsidiary stock*" and purchased all Senior Secured Notes tendered pursuant to any offer to repurchase all the Senior Secured Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness *plus* accrued and unpaid interest;

  (b) following the occurrence of a Change of Control (or other similar event described therein as a "change of control"), but only (i) if the Issuer shall have first complied with the terms described under "*—Change of Control*" and purchased all Senior Secured Notes tendered pursuant to the offer to repurchase all the Senior Secured Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 101% of the principal amount of such Subordinated Indebtedness *plus* accrued and unpaid interest; or

(c) consisting of Acquired Indebtedness (other than Indebtedness Incurred (i) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Issuer or a Restricted Subsidiary or (ii) otherwise in connection with or contemplation of such transaction or series of transactions) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness *plus* accrued and unpaid interest and any premium required by the terms of such Acquired Indebtedness;

(5) any dividends paid within 60 days after the date of declaration if at such date of declaration such dividend would have complied with this covenant;

(6) the purchase, repurchase, redemption, defeasance or other acquisition, cancellation or retirement for value of Capital Stock of the Issuer, any Restricted Subsidiary or any Parent and loans, advances, dividends or distributions by the Issuer to any Parent to permit any Parent to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of the Issuer, any Restricted Subsidiary or any Parent, or payments to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of the Issuer, any Restricted Subsidiary or any Parent, in each case from Management Investors; *provided* that such payments, loans, advances, dividends or distributions do not exceed an amount (net of repayments of any such loans or advances) equal to (x) €3.0 million, *plus* €1.0 million per calendar year that has commenced since the Issue Date (with any amount unused in any calendar year being carried over in the two next succeeding calendar years), *plus* (y) the Net Cash Proceeds received by the Issuer or its Restricted Subsidiaries since the Issue Date (including through receipt of proceeds from the issuance or sale of its Capital Stock or Subordinated Shareholder Funding to a Parent) from, or as a contribution to the equity (in each case under this clause (6), other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Issuer from, the issuance or sale to Management Investors of Capital Stock *plus* (z) the Net Cash Proceeds of key man life insurance policies, to the extent such Net Cash Proceeds in (y) and (z) are not included in any calculation under clause (c)(i) or (c)(ii) of the first paragraph describing this covenant and are not Excluded Contributions;

(7) the declaration and payment of dividends to holders of any class or series of Disqualified Stock, or of any Preferred Stock of a Restricted Subsidiary, Incurred in accordance with the terms of the covenant described under "*—Limitation on Indebtedness*";

(8) purchases, repurchases, redemptions, defeasances or other acquisitions or retirements of Capital Stock deemed to occur upon the exercise of stock options, warrants or other rights in respect thereof if such Capital Stock represents a portion of the exercise price thereof;

(9) dividends, loans, advances or distributions to any Parent or other payments by the Issuer or any Restricted Subsidiary in amounts equal to (without duplication):

(a) the amounts required for any Parent, without duplication, to pay any Parent Expenses or any Related Taxes;

(b) amounts constituting or to be used for purposes of making payments of fees and expenses Incurred (i) in connection with the Transactions or disclosed in the Offering Memorandum or (ii) to the extent specified in clauses (2), (3), (5), (7) and (11) of the second paragraph under "*—Limitation on Affiliate Transactions*"; and

(c) the amounts constituting dividends or other distributions as described in the Offering Memorandum under "*Use of proceeds*";

(10) so long as no Default or Event of Default has occurred and is continuing (or would result therefrom), the declaration and payment by the Issuer of, or loans, advances, dividends or distributions to any Parent to pay, dividends on the common stock or common equity interests of the Issuer or any Parent following a Public Offering of such common stock or common equity interests, in an amount not to exceed in any

fiscal year the greater of (a) 6% of the Net Cash Proceeds received by the Issuer from such Public Offering or contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through Excluded Contributions) of the Issuer or contributed as Subordinated Shareholder Funding to the Issuer and (b) following the Initial Public Offering, an amount equal to the greater of (i) 7% of the Market Capitalization and (ii) 7% of the IPO Market Capitalization; *provided* that in the case of this clause (b) after giving pro forma effect to such loans, advances, dividends or distributions, the Consolidated Leverage Ratio shall be equal to or less than 2.75 to 1.0;

(11) so long as no Default or Event of Default has occurred and is continuing (or would result from), Restricted Payments in an aggregate amount outstanding at any time not to exceed the greater of €20.0 million and 3.0% of Total Assets;

(12) payments by the Issuer, or loans, advances, dividends or distributions to any Parent to make payments, to holders of Capital Stock of the Issuer or any Parent in lieu of the issuance of fractional shares of such Capital Stock, *provided*, *however*, that any such payment, loan, advance, dividend or distribution shall not be for the purpose of evading any limitation of this covenant or otherwise to facilitate any dividend or other return of capital to the holders of such Capital Stock (as determined in good faith by the Board of Directors or a member of Senior Management of the Issuer);

(13) Restricted Payments in an aggregate amount outstanding at any time not to exceed the aggregate amount of Excluded Contributions, or Investments in exchange for or using as consideration Investments previously made under this clause (13);

(14) payment of any Receivables Fees and purchases of Receivables Assets pursuant to a Receivables Repurchase Obligation in connection with a Qualified Receivables Financing;

(15) (i) the declaration and payment of dividends to holders of any class or series of Designated Preference Shares of the Issuer issued after the Issue Date; and (ii) the declaration and payment of dividends to any Parent or any Affiliate thereof, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preference Shares of such Parent or Affiliate issued after the Issue Date; *provided* that, in the case of clauses (i) and (ii), the amount of all dividends declared or paid pursuant to this clause (15) shall not exceed the Net Cash Proceeds received by the Issuer or the aggregate amount contributed in cash to the equity (other than through the issuance of Disqualified Stock or an Excluded Contribution or, in the case of Designated Preference Shares by such Parent or Affiliate, the issuance of Designated Preference Shares) of the Issuer or contributed as Subordinated Shareholder Funding to the Issuer, as applicable, from the issuance or sale of such Designated Preference Shares;

(16) dividends or other distributions of Capital Stock, Indebtedness or other securities of Unrestricted Subsidiaries;

(17) so long as no Default or Event of Default has occurred and is continuing (or would result therefrom), any dividend, distribution, loan or other payment to any Parent; *provided* that, on the date of any such dividend, distribution, loan or other payment, the Consolidated Leverage Ratio for the Issuer and its Restricted Subsidiaries does not exceed 2.5 to 1.0 on a *pro forma* basis after giving effect thereto;

(18) advances or loans to (a) any future, present or former officer, director, employee or consultant of the Issuer or a Restricted Subsidiary or any Parent to pay for the purchase or other acquisition for value of Capital Stock of the Issuer or any Parent (other than Disqualified Stock or Designated Preference Shares), or any obligation under a forward sale agreement, deferred purchase agreement or deferred payment arrangement pursuant to any management equity plan or stock option plan or any other management or employee benefit or incentive plan or other agreement or arrangement or (b) any management equity plan or stock option plan or any other management or employee benefit or incentive plan or unit trust or the trustees of any such plan or trust to pay for the purchase or other acquisition for value of Capital

Stock of the Issuer or any Parent (other than Disqualified Stock or Designated Preference Shares); *provided however*, that the total aggregate amount of Restricted Payments made under this clause (18) does not exceed €2.5 million at any time outstanding; and

(19) (a) dividends or other distributions to the issuer of Parent Senior Notes to fund the substantially concurrent, regularly scheduled payment of interest or additional amounts, if any, as such amounts come due under the Parent Senior Notes, other than at any time when a Secured Debt Payment Default has occurred and is continuing or a Senior Unsecured Notes Payment Stop Notice is outstanding (in each case as such terms, or equivalent terms, are defined in the Intercreditor Agreement or any Additional Intercreditor Agreement); *provided* that the entire net proceeds of such Parent Senior Notes have been contributed to the equity of or lent to the Issuer as Subordinated Shareholder Funding or Indebtedness that is contractually subordinated in right of payment to the Senior Secured Notes in compliance with the terms of the Indenture; *provided*, *further*, that in no event shall any such proceeds be included in the calculation of amounts available under clause (c) of the first paragraph of this covenant or used to make a Restricted Payment pursuant to clauses (1), (6) or (10) of this paragraph and (b) the Guarantee by the Issuer and any Guarantor of such Parent Senior Notes.

The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by the Issuer or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The fair market value of any cash Restricted Payment shall be its face amount, and the fair market value of any non-cash Restricted Payment shall be determined conclusively by the Board of Directors or Senior Management of the Issuer acting in good faith.

Limitation on Liens

None of the Issuer, Holdco and the Dutch Security Providers will, and the Issuer will not permit any Restricted Subsidiary to, directly or indirectly, create, Incur or suffer to exist any Lien upon any of its property or assets (including Capital Stock of a Restricted Subsidiary), whether owned on the Issue Date or acquired after that date, or any interest therein or any income or profits therefrom, which Lien is securing any Indebtedness (such Lien, the "*Initial Lien*"), except (a) in the case of any property or asset that does not constitute Collateral, (1) Permitted Liens or (2) Liens on property or assets that are not Permitted Liens if the Senior Secured Notes and the Indenture are directly secured equally and ratably with, or prior to (in the case of Liens with respect to Subordinated Indebtedness) the Indebtedness secured by such Initial Lien for so long as such Indebtedness is so secured, and (b) in the case of any property or asset that constitutes Collateral, Permitted Collateral Liens.

Any such Lien created in favor of the Senior Secured Notes will be automatically and unconditionally released and discharged upon (i) the release and discharge of the Initial Lien to which it relates, and (ii) otherwise as set forth under "*—Security—Release of Liens*."

Limitation on restrictions on distributions from Restricted Subsidiaries

The Issuer will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

(A) pay dividends or make any other distributions in cash or otherwise on its Capital Stock or pay any Indebtedness or other obligations owed to the Issuer or any Restricted Subsidiary, or with respect to any other interest or participation in, or measured by, its profits, or pay any Indebtedness owed to the Issuer or any other Restricted Subsidiary;

(B) make any loans or advances to the Issuer or any Restricted Subsidiary; or

(C) sell, lease or transfer any of its property or assets to the Issuer or any Restricted Subsidiary,

provided that (x) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill requirements to) loans or advances made to the Issuer or any Restricted Subsidiary to other Indebtedness Incurred by the Issuer or any Restricted Subsidiary shall not be deemed to constitute such an encumbrance or restriction.

The provisions of the preceding paragraph will not prohibit:

(1) any encumbrance or restriction pursuant to (a) any Credit Facility (including the Revolving Credit Facility) or any other agreement or instrument, in each case in effect at or entered into on the Issue Date or (b) the Indenture, the Senior Secured Notes, the Intercreditor Agreement or the Security Documents;

(2) any encumbrance or restriction pursuant to an agreement or instrument of a Person or relating to any Capital Stock or Indebtedness of a Person, entered into on or before the date on which such Person was acquired by or merged, consolidated or otherwise combined with or into the Issuer or any Restricted Subsidiary, or on which such agreement or instrument is assumed by the Issuer or any Restricted Subsidiary in connection with an acquisition of assets (other than Capital Stock or Indebtedness Incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was acquired by the Issuer or was merged, consolidated or otherwise combined with or into the Issuer or any Restricted Subsidiary entered into or in connection with such transaction) and outstanding on such date; *provided* that, for the purposes of this clause (2), if another Person is the Successor Issuer, the Successor Issuer or the Successor Subsidiary Guarantor (each as defined under "*—Merger and consolidation*"), any Subsidiary thereof or agreement or instrument of such Person or any such Subsidiary shall be deemed acquired or assumed by the Issuer or any Restricted Subsidiary when such Person becomes the Successor Issuer or the Successor Subsidiary Guarantor;

(3) any encumbrance or restriction pursuant to an agreement or instrument effecting a refinancing of Indebtedness Incurred pursuant to, or that otherwise refinances, an agreement or instrument referred to in clause (1) or (2) of this paragraph or this clause (3) (an "*Initial Agreement*") or contained in any amendment, supplement or other modification to an agreement referred to in clause (1) or (2) of this paragraph or this clause (3); *provided*, *however*, that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such agreement or instrument are no less favorable in any material respect to the Holders taken as a whole than the encumbrances and restrictions contained in the Initial Agreement or Initial Agreements to which such refinancing or amendment, supplement or other modification relates (as determined in good faith by the Board of Directors or a member of Senior Management of the Issuer);

(4) any encumbrance or restriction:

    (a) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, or the assignment or transfer of any lease, license or other contract;

    (b) contained in mortgages, charges, pledges or other security agreements permitted under the Indenture or securing Indebtedness of the Issuer or a Restricted Subsidiary permitted under the Indenture to the extent such encumbrances or restrictions restrict the transfer of the property or assets subject to such mortgages, charges, pledges or other security agreements; or

    (c) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Issuer or any Restricted Subsidiary;

(5) any encumbrance or restriction pursuant to Purchase Money Obligations and Capitalized Lease Obligations permitted under the Indenture, in each case, that impose encumbrances or restrictions on the property so acquired in the nature of clause (C) of the preceding paragraph, or any encumbrance or restriction pursuant to a joint venture agreement that imposes restrictions on the distribution or transfer of the assets or Capital Stock of the joint venture;

(6) any encumbrance or restriction with respect to a Restricted Subsidiary (or any of its property or assets) imposed pursuant to an agreement entered into for the direct or indirect sale or disposition to a Person of all or substantially all the Capital Stock or assets of such Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition;

(7) customary provisions in leases, licenses, joint venture agreements and other similar agreements and instruments entered into in the ordinary course of business;

(8) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation or order, or required by any regulatory authority;

(9) any encumbrance or restriction on cash or other deposits or net worth imposed by customers under agreements entered into in the ordinary course of business;

(10) any encumbrance or restriction pursuant to Currency Agreements, Interest Rate Agreements or Commodity Hedging Agreements;

(11) any encumbrance or restriction arising pursuant to an agreement or instrument (a) relating to any Indebtedness permitted to be Incurred subsequent to the Issue Date pursuant to the provisions of the covenant described under "*—Limitation on Indebtedness*" if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Holders of the Senior Secured Notes than (i) the encumbrances and restrictions contained in the Revolving Credit Facility, together with the security documents associated therewith, and the Intercreditor Agreement, in each case, as in effect on the Issue Date or (ii) as is customary in comparable financings (as determined in good faith by the Board of Directors or a member of Senior Management of the Issuer) or (b) constituting an Additional Intercreditor Agreement;

(12) restrictions effected in connection with a Qualified Receivables Financing that, in the good faith determination of the Board of Directors or a member of Senior Management of the Issuer, are necessary or advisable to effect such Qualified Receivables Financing; or

(13) any encumbrance or restriction existing by reason of any lien permitted under "*—Limitation on Liens.*"

Limitation on sales of assets and Subsidiary stock

The Issuer will not, and will not permit any Restricted Subsidiary to, consummate any Asset Disposition unless:

(1) the consideration the Issuer or such Restricted Subsidiary receives for such Asset Disposition is not less than the fair market value of the Capital Stock, property or other assets subject to such Asset Disposition (as determined by the Issuer's Board of Directors); and

(2) at least 75% of the consideration the Issuer or such Restricted Subsidiary receives in respect of such Asset Disposition consists of:

  (i) cash (including any Net Cash Proceeds received from the conversion within 180 days of such Asset Disposition of securities, notes or other obligations received in consideration of such Asset Disposition);

  (ii) Cash Equivalents;

  (iii) the assumption by the purchaser of (x) any liabilities recorded on the Issuer's consolidated balance sheet or the notes thereto (or, if Incurred since the date of the latest balance sheet, that would be recorded on the next balance sheet) (other than Subordinated Indebtedness), as a result of which neither the Issuer nor any of the Restricted Subsidiaries remains obligated in respect of such liabilities or (y) Indebtedness of a Restricted Subsidiary (other than Subordinated Indebtedness and Indebtedness owed to the Issuer or any Restricted Subsidiary) that is no longer a Restricted Subsidiary as a result of such Asset Disposition, if the Issuer and each other Restricted Subsidiary is released from any Guarantee of such Indebtedness as a result of such Asset Disposition;

(iv) Replacement Assets;

(v) any Capital Stock or assets of the kind referred to in clause (4) or (6) in the second paragraph of this covenant;

(vi) consideration consisting of Indebtedness of the Issuer or any Guarantor received from Persons who are not the Issuer or any Restricted Subsidiary, but only to the extent that such Indebtedness (i) has been extinguished by the Issuer or the applicable Guarantor, and (ii) is not Subordinated Indebtedness of the Issuer or such Guarantor;

(vii) any Designated Non-Cash Consideration received by the Issuer or any Restricted Subsidiary, having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this covenant that is at any one time outstanding, not to exceed the greater of €10.0 million and 1.5% of Total Assets (with the fair market value of each issue of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value); or

(viii) a combination of the consideration specified in clauses (i) through (vii) of this paragraph (2).

If the Issuer or any Restricted Subsidiary consummates an Asset Disposition, the Net Cash Proceeds of the Asset Disposition, within 365 days of the later of (i) the date of the consummation of such Asset Disposition and (ii) the receipt of such Net Cash Proceeds, may be used by the Issuer, the Issuer or such Restricted Subsidiary to:

(1) (i) prepay, repay, purchase or redeem any Indebtedness Incurred under clause (1) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*"; *provided, however,* that, in connection with any prepayment, repayment, purchase or redemption of Indebtedness pursuant to this clause (1), the Issuer or such Restricted Subsidiary will retire such Indebtedness and will cause the related commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid, purchase or redeemed; (ii) unless included in the preceding clause (1)(i), prepay, repay, purchase or redeem Indebtedness (other than the Senior Secured Notes, Subordinated Indebtedness or Indebtedness owed to the Issuer or any Restricted Subsidiary) that is secured by a Lien on the Collateral on a *pari passu* basis with the Senior Secured Notes (including Indebtedness with super priority status in respect of the proceeds from the enforcement of the Collateral) at a price of no more than 100% of the principal amount of such applicable Indebtedness, plus accrued and unpaid interest to the date of such prepayment, repayment, purchase or redemption; or (iii) prepay, repay, purchase or redeem any Indebtedness of a Restricted Subsidiary of the Issuer that is not a Guarantor or any Indebtedness that is secured by Liens on assets which do not constitute Collateral (in each case other than Subordinated Indebtedness of the Issuer or a Guarantor or Indebtedness owed to the Issuer or any Restricted Subsidiary) and at a price of no more than 100% of the principal amount of such applicable Indebtedness, plus accrued and unpaid interest to the date of such prepayment, repayment, purchase or redemption; *provided* that the Issuer shall prepay, repay, purchase or redeem Indebtedness pursuant to clause (ii) or (iii) only if the Issuer makes (at such time or in compliance with this covenant) an offer to Holders to purchase their Senior Secured Notes in accordance with the provisions set forth below for an Asset Disposition Offer for an aggregate principal amount of Senior Secured Notes equal to the proportion that (x) the total aggregate principal amount of Senior Secured Notes outstanding bears to (y) the sum total aggregate principal amount of the Senior Secured Notes outstanding plus the total aggregate principal amount outstanding of such Indebtedness (other than the Senior Secured Notes);

(2) purchase Senior Secured Notes pursuant to an offer to all Holders of the Senior Secured Notes at a purchase price in cash equal to at least 100% of the principal amount thereof, plus accrued and unpaid interest thereon and Additional Amounts, if any, to, but not including, the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date);

(3) invest in any Replacement Assets;

(4) acquire all or substantially all of the assets of, or any Capital Stock of, another Similar Business, if, after giving effect to any such acquisition of Capital Stock, the Similar Business is or becomes a Restricted Subsidiary;

(5) make a capital expenditure;

(6) acquire other assets (other than Capital Stock and cash or Cash Equivalents) that are used or useful in a Similar Business;

(7) consummate any combination of the foregoing; or

(8) enter into a binding commitment to apply the Net Cash Proceeds pursuant to clause (3), (4), (5) or (6) of this paragraph or a combination thereof; *provided* that a binding commitment shall be treated as a permitted application of the Net Cash Proceeds from the date of such commitment until the earlier of (x) the date on which such investment is consummated and (y) the 180th day following the expiration of the aforementioned 365 day period, if the investment has not been consummated by that date,

provided, *however*, if the assets disposed of constitute Collateral or constitute all or substantially all of the assets of a Restricted Subsidiary whose Capital Stock has been pledged as Collateral, the Issuer shall pledge or shall cause the applicable Restricted Subsidiary to pledge any acquired Capital Stock or assets (to the extent such assets were of a category of assets included in the Collateral as of the Issue Date) referred to in this covenant in favor of the Senior Secured Notes on a first-ranking basis.

The amount of such Net Cash Proceeds not so used as set forth in this paragraph constitutes "*Excess Proceeds.*" Pending the final application of any such Net Cash Proceeds, the Issuer may temporarily reduce revolving credit borrowings or otherwise invest such Net Cash Proceeds in any manner that is not prohibited by the terms of the Indenture.

On the 366th day after an Asset Disposition, or at such earlier time if the Issuer elects, if the aggregate amount of Excess Proceeds exceeds €15.0 million, the Issuer will be required within 10 Business Days thereof to make an offer ("*Asset Disposition Offer*") to all Holders and, to the extent the Issuer elects, to all holders of other outstanding Pari Passu Indebtedness, to purchase the maximum principal amount of Senior Secured Notes and any such Pari Passu Indebtedness to which the Asset Disposition Offer applies that may be purchased out of the Excess Proceeds, at an offer price in respect of the Senior Secured Notes in an amount equal to (and, in the case of any Pari Passu Indebtedness, an offer price of no more than) 100% of the principal amount of the Senior Secured Notes and 100% of the principal amount of Pari Passu Indebtedness, in each case, plus accrued and unpaid interest thereon and Additional Amounts, if any, to, but not including, the date of purchase, in accordance with the procedures set forth in the Indenture or the agreements governing the Pari Passu Indebtedness, as applicable, in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof.

To the extent that the aggregate amount of Senior Secured Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to an Asset Disposition Offer is less than the Excess Proceeds, the Issuer may use any remaining Excess Proceeds for general corporate purposes, subject to other covenants contained in the Indenture. If the aggregate principal amount of the Senior Secured Notes surrendered in any Asset Disposition Offer by Holders and other Pari Passu Indebtedness surrendered by holders or lenders, collectively, exceeds the amount of Excess Proceeds, the Excess Proceeds shall be allocated among the Senior Secured Notes and Pari Passu Indebtedness to be purchased on a pro rata basis on the basis of the aggregate principal amount of tendered Senior Secured Notes and Pari Passu Indebtedness. For the purposes of calculating the principal amount of any such Indebtedness not denominated in euro, such Indebtedness shall be calculated by converting any such principal amounts into their Euro Equivalent determined as of a date selected by the Issuer that is within the Asset Disposition Offer Period (as defined below). Upon completion of any Asset Disposition Offer, the amount of Excess Proceeds shall be reset at zero.

To the extent that any portion of Net Available Cash payable in respect of the Senior Secured Notes is denominated in a currency other than the currency in which the relevant Senior Secured

Notes are denominated, the amount thereof payable in respect of such Senior Secured Notes shall not exceed the net amount of funds in the currency in which such Senior Secured Notes are denominated that is actually received by the Issuer upon converting such portion of the Net Available Cash into such currency.

The Asset Disposition Offer, in so far as it relates to the Senior Secured Notes, will remain open for a period of not less than 20 Business Days following its commencement (the "*Asset Disposition Offer Period*"). No later than five Business Days after the termination of the Asset Disposition Offer Period (the "*Asset Disposition Purchase Date*"), the Issuer will purchase the principal amount of Senior Secured Notes and, to the extent it elects, Pari Passu Indebtedness required to be purchased by it pursuant to this covenant (the "*Asset Disposition Offer Amount*") or, if less than the Asset Disposition Offer Amount has been so validly tendered, all Senior Secured Notes and Pari Passu Indebtedness validly tendered in response to the Asset Disposition Offer.

On or before the Asset Disposition Purchase Date, the Issuer will, to the extent lawful, accept for payment, on a *pro rata* basis to the extent necessary, the Asset Disposition Offer Amount of Senior Secured Notes and Pari Passu Indebtedness or portions of Senior Secured Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to the Asset Disposition Offer, or if less than the Asset Disposition Offer Amount has been validly tendered and not properly withdrawn, all Senior Secured Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn and in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof. The Issuer will deliver to the Trustee an Officer's Certificate stating that such Senior Secured Notes or portions thereof were accepted for payment by the Issuer in accordance with the terms of this covenant. The Issuer or the Paying Agent, as the case may be, will promptly (but in any case not later than five Business Days after termination of the Asset Disposition Offer Period) mail or deliver to each tendering Holder an amount equal to the purchase price of the Senior Secured Notes so validly tendered and not properly withdrawn by such Holder, and accepted by the Issuer for purchase, and the Issuer will promptly issue a new Senior Secured Note (or amend the applicable Global Note), and the Trustee (or an authenticating agent), upon delivery of an Officer's Certificate from the Issuer, will authenticate and mail or deliver (or cause to be transferred by book entry) such new Senior Secured Note to such Holder, in a principal amount equal to any unpurchased portion of the Senior Secured Note surrendered; *provided* that each such new Senior Secured Note will be in a principal amount with a minimum denomination of €100,000. Any Senior Secured Note not so accepted will be promptly mailed or delivered (or transferred by book entry) by the Issuer to the Holder thereof.

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Senior Secured Notes pursuant to the Indenture. To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by virtue of such compliance.

Limitation on Affiliate Transactions

The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, enter into or conduct any transaction or series of related transactions (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of the Issuer (any such transaction or series of related transactions being an "*Affiliate Transaction*") involving aggregate value in excess of €2.5 million unless:

(1) the terms of such Affiliate Transaction taken as a whole are not materially less favorable to the Issuer or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction or the execution of the agreement providing for such transaction in arm's-length dealings with a Person who is not such an Affiliate;

(2) in the event such Affiliate Transaction involves an aggregate value in excess of €10.0 million, the terms of such transaction or series of related transactions have been approved by a resolution of the majority of the disinterested members of the Board of Directors of the Issuer resolving that such transaction complies with clause (1) above; and

(3) in the event such Affiliate Transaction involves an aggregate consideration in excess of €20.0 million, the Issuer has received a written opinion (a "*Fairness Opinion*") from an Independent Financial Advisor that such Affiliate Transaction is fair, from a financial standpoint, to the Issuer and its Restricted Subsidiaries or that the terms are not materially less favorable than those that could reasonably have been obtained in a comparable transaction at such time on an arm's-length basis from a Person that is not an Affiliate.

The provisions of the preceding paragraph will not apply to:

(1) any Restricted Payment permitted to be made pursuant to the covenant described under "*—Limitation on Restricted Payments*" (other than pursuant to clause (9)(b)(ii) of the fourth paragraph of the covenant described under "*—Limitations on Restricted Payments*") or any Permitted Investment (other than Permitted Investments as defined in paragraphs (1)(b), (2), (8), (10), (11) and (14) of the definition thereof);

(2) any issuance or sale of Capital Stock or other securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment, consulting, collective bargaining or benefit plan, program, agreement or arrangement, related trust or other similar agreement and other compensation arrangements, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultants' plans (including valuation, health, insurance, deferred compensation, severance, retirement, savings or similar plans, programs or arrangements) or indemnities provided on behalf of officers, employees, directors or consultants approved by the Board of Directors of the Issuer, in each case in the ordinary course of business;

(3) any Management Advances and any waiver or transaction with respect thereto;

(4) any transaction between or among the Issuer and any Restricted Subsidiary (or on arm's length term with an entity that is not an Affiliate that becomes a Restricted Subsidiary as a result of such transaction), or between or among Restricted Subsidiaries or any Receivables Subsidiary;

(5) the payment of reasonable fees and reimbursement of expenses to, and customary indemnities and employee benefit and pension expenses provided on behalf of, directors, officers, consultants or employees of the Issuer, any Restricted Subsidiary of the Issuer or any Parent (whether directly or indirectly and including through any Person owned or controlled by any of such directors, officers or employees);

(6) (i) the Transactions, (ii) the entry into and performance of obligations of the Issuer or any Restricted Subsidiary under the terms of any transaction pursuant to or contemplated by, and any payments pursuant to or for purposes of funding, any agreement or instrument in effect as of or on the Issue Date, as these agreements and instruments may be amended, modified, supplemented, extended, renewed, replaced or refinanced from time to time in accordance with the other terms of this covenant or to the extent not more disadvantageous to the Holders in any material respect, and (iii) the entry into and performance of any registration rights or other listing agreement;

(7) the execution, delivery and performance of any Tax Sharing Agreement or any arrangement pursuant to which the Issuer or any Restricted Subsidiary is required or permitted to file a consolidated tax return, or the formation and maintenance of any consolidated group for tax, accounting or cash pooling or management purposes in the ordinary course of business; *provided*, that payments under such Tax Sharing Agreement shall not exceed, and shall not be duplicative of, the amounts described under clause (7) of the definition of "*Parent Expenses*" and that the related tax liabilities of the Issuer and its Restricted Subsidiaries are relieved thereby;

(8) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, in each case in the ordinary course of business, which are fair to the Issuer or the relevant Restricted Subsidiary in the reasonable determination of the Board of

Directors or an officer of the Issuer or the relevant Restricted Subsidiary, or are on terms no less favorable than those that could reasonably have been obtained at such time from an unaffiliated party;

(9) any transaction between or among the Issuer or any Restricted Subsidiary and any Affiliate (other than an Unrestricted Subsidiary) of the Issuer or an Associate or similar entity that would constitute an Affiliate Transaction solely because the Issuer or a Restricted Subsidiary owns an equity interest in or otherwise controls such Affiliate, Associate or similar entity;

(10) (a) issuances or sales of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of the Issuer or Subordinated Shareholder Funding; *provided* that the interest rate and other financial terms of such Subordinated Shareholder Funding are approved by a majority of the members of the Board of Directors in their reasonable determination and (b) any amendment, waiver or other transaction with respect to any Subordinated Shareholder Funding in compliance with the other provisions of the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement, as applicable; *provided* that such Subordinated Shareholder Funding, as amended or otherwise modified, will be deemed to be Subordinated Shareholder Funding for all purposes under the indenture;

(11) (a) payments by the Issuer or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent) of annual management, consulting, monitoring or advisory fees in an aggregate amount not to exceed €1.25 million per year and related expenses and (b) customary payments by the Issuer or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent) for financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including in connection with loans, capital market transactions, acquisitions or divestitures, which payments (or agreements providing for such payments) in respect of this clause (11) are approved by a majority of the Board of Directors in good faith;

(12) any transactions in respect of which the Issuer or a Restricted Subsidiary delivers a written opinion (in form and substance reasonably satisfactory to the Trustee) to the Trustee from an Independent Financial Advisor stating that such transaction is (i) fair to the Issuer or such Restricted Subsidiary from a financial point of view or (ii) on terms not less favorable than might have been obtained in a comparable transaction at such time on an arm's length basis from a Person who is not an Affiliate;

(13) investments by any of the Permitted Holders in securities of any Restricted Subsidiary (and the payment of reasonable out of pocket expenses of the Permitted Holders in connection therewith) so long as (i) the investment complies with clause (1) of the immediately preceding paragraph, (ii) the investment is being offered generally to other investors on the same or more favorable terms and (iii) the investment constitutes less than 5% of the proposed issue amount of such class of securities;

(14) pledges of Capital Stock of Unrestricted Subsidiaries; and

(15) any transaction effected as part of a Qualified Receivables Financing.

Reports

So long as any Senior Secured Notes are outstanding, the Issuer will furnish to the Trustee the following reports:

(1) within 120 days (or, in the case of the fiscal year ending December 31, 2013, and so long as the Issuer furnishes to the Trustee a consolidated financial flash report within 115 days after the end of Holdco's fiscal year, 150 days) after the end of Holdco's fiscal year beginning with the fiscal year ended December 31, 2013, annual reports containing: (i) information with a level and type of detail that is substantially comparable in all material respects to information in the sections entitled "*Management's discussion and analysis of financial condition and results of operations*" and "*Business*" in this Offering Memorandum; (ii) unaudited *pro forma* income statement and balance sheet information of Holdco, together with

explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year as to which such annual report relates (unless such *pro forma* information has been provided in a previous report pursuant to clause (2) or (3) below); *provided* that such *pro forma* financial information will be provided only to the extent available without unreasonable expense or burden, in which case the Issuer will provide, in the case of a material acquisition, acquired company financials; (iii) the audited consolidated balance sheet of Holdco as at the end of the most recent two fiscal years and audited consolidated income statements and statements of cash flow of Holdco for the most recent two fiscal years, including appropriate footnotes to such financial statements, for and as at the end of such fiscal years and the report of the independent auditors on the financial statements; (iv) a description of the management and shareholders of the Issuer and Holdco, all material affiliate transactions and a description of all material debt instruments; (v) a description of material risk factors and material subsequent events; and (vi) Consolidated EBITDA; *provided* that the information described in clauses (iv), (v) and (vi) may be provided in the footnotes to the audited financial statements;

(2) within 60 days following the end of each of the first three fiscal quarters in each fiscal year of Holdco, beginning with the quarter ended March 31, 2014, quarterly financial statements containing the following information: (i) Holdco's unaudited condensed consolidated balance sheet as at the end of such quarter and unaudited condensed statements of income and cash flow for the most recent quarter year to date period ending on the unaudited condensed balance sheet date and the comparable prior period, together with condensed footnote disclosure; (ii) unaudited *pro forma* income statement and balance sheet information of Holdco, together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year as to which such quarterly report relates; *provided* that such *pro forma* financial information will be provided only to the extent available without unreasonable expense or burden, in which case the Issuer will provide, in the case of a material acquisition, acquired company financials; and (iii) an operating and financial review of the unaudited financial statements; and

(3) promptly after the occurrence of a material event that the Issuer or Holdco announces publicly or any acquisition, disposition or restructuring, merger or similar transaction that is material to the Issuer and the Restricted Subsidiaries, taken as a whole, or a senior executive officer or director changes at the Issuer or Holdco or a change in auditors of the Issuer or Holdco, a report containing a description of such event,

provided that the reports required in each of clause (1) and (2) above shall include in such report a reasonably detailed description of material differences between the financial statements of Holdco and the Issuer for any period after the Issue Date.

In addition, the Issuer shall furnish to the Holders and to prospective investors, upon the request of such parties, any information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act for so long as the Senior Secured Notes are not freely transferable under the Securities Act.

The Issuer shall also make available to Holders and prospective holders of the Senior Secured Notes copies of all reports furnished to the Trustee on the Issuer's website and if and so long as the Senior Secured Notes are listed on the Official List of the Irish Stock Exchange and admitted to trading on the Global Exchange Market thereof and to the extent that the rules and regulations of the Irish Stock Exchange so require, copies of such reports furnished to the Trustee will also be made available at the specified office of the listing agent in Dublin, Ireland.

All financial statement information shall be prepared in accordance with IFRS as in effect on the date of such report or financial statement (or otherwise on the basis of IFRS as then in effect) and on a consistent basis for the periods presented, except as may otherwise be described in such information; *provided*, *however*, that the reports set forth in clauses (1), (2) and (3) above may, in the event of a change in IFRS, present earlier periods on a basis that applied to such periods. Except as provided below, no report need include separate financial statements for the Issuer or any Subsidiaries of the Issuer or any disclosure with respect to the results of operations or any other financial or statistical disclosure not of a type included in this Offering Memorandum. In addition, the reports set forth above will not be required to contain any reconciliation to U.S. GAAP.

For purposes of this covenant, an acquisition or disposition shall be deemed to be material if the entity or business acquired or disposed of represents greater than 20% of the Issuer's (a) total revenue or Consolidated EBITDA for the most recent four quarters for which annual or quarterly financial reports have been delivered to the Trustee or (b) consolidated assets as of the last day of the most recent quarter for which annual or quarterly financial reports have been delivered to the Trustee.

At any time that any of the Issuer's subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or a group of Unrestricted Subsidiaries, taken as a whole, constitutes a Significant Subsidiary of the Issuer, then the quarterly and annual financial information required by the first paragraph of this "*Reports*" covenant will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, of the financial condition and results of operations of the Issuer and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Issuer.

All reports provided pursuant to this "*Reports*" covenant shall be made in the English language.

In the event that (i) the Issuer or any Parent becomes subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act, or elects to comply with such provisions, for so long as it continues to file the reports required by Section 13(a) with the SEC or (ii) the Issuer elects to provide to the Trustee reports which, if filed with the SEC, would satisfy (in the good faith judgment of the Issuer) the reporting requirements of Section 13(a) or 15(d) of the Exchange Act (other than the provision of U.S. GAAP information, certifications, exhibits or information as to internal controls and procedures), for so long as it elects, the Issuer will make available to the Trustee such annual reports, information, documents and other reports that the Issuer or Holdco, as the case may be, is, or would be, required to file with the SEC pursuant to such Section 13(a) or 15(d). Upon complying with the foregoing requirement, the Issuer will be deemed to have complied with the provisions contained in the preceding paragraphs.

Delivery of any information, documents and reports to the Trustee pursuant to this "Reports" covenant is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein, including the Issuer's compliance with any of its covenants under the Indenture.

Merger and consolidation

The Issuer

The Issuer will not, directly or indirectly, consolidate with or merge with or into, or assign, convey, transfer, lease or otherwise dispose all or substantially all its assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions to, any Person, unless:

(1) either the Issuer is the surviving entity or the resulting, surviving or transferee Person (the "*Successor Issuer*") will be a Person organized and existing under the laws of any member state of the European Union, any State of the United States of America or the District of Columbia, Canada or any province of Canada, Norway or Switzerland and the Successor Issuer (if not the Issuer) will expressly assume, (a) by supplemental indenture, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, all the obligations of the Issuer under the Senior Secured Notes and the Indenture and (b) all obligations of the Issuer under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents, as applicable;

(2) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Issuer or any Subsidiary of the Successor Issuer as a result of such transaction as having been Incurred by the Successor Issuer or such Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;

(3) immediately after giving effect to such transaction, either (a) the Successor Issuer would be able to Incur at least an additional €1.00 of Indebtedness pursuant to the first paragraph of the covenant described under "—Limitation on Indebtedness" or (b) the Fixed Charge Coverage Ratio would not be less than it was immediately prior to giving effect to such transaction; and

(4) the Successor Issuer shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each to the effect that such consolidation, merger or transfer and such supplemental indenture (if any) comply with the terms of the Indenture and an Opinion of Counsel to the effect that such supplemental indenture (if any) has been duly authorized, executed and delivered and is a legal, valid and binding agreement enforceable against the Successor Issuer (in each case, in form and substance reasonably satisfactory to the Trustee); *provided* that in giving an Opinion of Counsel, counsel may rely on an Officer's Certificate as to any matters of fact.

For purposes of this covenant, the sale, lease, conveyance, assignment, transfer, or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of the Issuer, which properties and assets, if held by the Issuer instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Issuer on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Issuer.

The Successor Issuer will succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Indenture but in the case of a lease of all or substantially all its assets, the predecessor Person will not be released from its obligations under the Indenture or the Senior Secured Notes.

There is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

The foregoing provisions (other than the requirements of clause (2) of the first paragraph of this "*Merger and consolidation—The Issuer*" covenant) shall not apply to the creation of a new subsidiary as a Restricted Subsidiary of the Issuer.

Holdco

Holdco will not, directly or indirectly, consolidate with or merge with or into, or assign, convey, transfer, lease or otherwise dispose all or substantially all its assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions to, any Person, unless:

(1) either Holdco is the surviving entity or the resulting, surviving or transferee Person (the "*Successor Parent Guarantor*") will be a Person organized and existing under the laws of any member state of the European Union, any State of the United States of America or the District of Columbia, Canada or any province of Canada, Norway or Switzerland and the Successor Parent Guarantor (if not the Issuer) will expressly assume, (a) by supplemental indenture, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, all the obligations of Holdco under its Notes Guarantee and the Indenture and (b) all obligations of Holdco under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents (or the Successor Parent Guarantor shall have entered into security documents creating Liens over the relevant Collateral on substantially the same terms as the corresponding Security Documents then in force), as applicable;

(2) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Parent Guarantor or any Subsidiary of the Successor Parent Guarantor as a result of such transaction as having been Incurred by the Successor Parent Guarantor or such Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing; and

(3) the Successor Parent Guarantor shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each to the effect that such consolidation, merger or transfer and such supplemental indenture (if any) comply with the terms of the Indenture and an Opinion of Counsel to the effect that such supplemental indenture (if any) has been duly authorized, executed and delivered and is a legal, valid and binding agreement enforceable against the Successor Issuer (in each case, in form and substance reasonably satisfactory to the Trustee); *provided* that in giving an Opinion of Counsel, counsel may rely on an Officer's Certificate as to any matters of fact.

For purposes of this covenant, the sale, lease, conveyance, assignment, transfer, or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of Holdco, which properties and assets, if held by Holdco instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of Holdco on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of Holdco.

The Successor Parent Guarantor will succeed to, and be substituted for, and may exercise every right and power of, Holdco under the Indenture but in the case of a lease of all or substantially all its assets, the predecessor Person will not be released from its obligations under the Indenture or its Notes Guarantee.

There is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

The Subsidiary Guarantors

No Subsidiary Guarantor (other than a Subsidiary Guarantor whose Notes Guarantee is to be released in accordance with the terms of the Indenture or the Intercreditor Agreement substantially concurrently with such consolidation, merger, sale, assignment, conveyance, transfer, lease or other disposition) may:

(1) consolidate with or merge with or into any Person (whether or not such Subsidiary Guarantor is the surviving corporation);

(2) sell, assign, convey, transfer, lease or otherwise dispose of, all or substantially all its assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions, to any Person; or

(3) permit any Person to merge with or into it unless:

(a) the other Person is the Issuer or, in the case of a Subsidiary Guarantor, any Restricted Subsidiary that is a Subsidiary Guarantor or becomes a Subsidiary Guarantor substantially concurrently with such consolidation, merger, sale, assignment, conveyance, transfer, lease or other disposition;

(b) (1) either (x) a Subsidiary Guarantor is the continuing Person or (y) the resulting, surviving or transferee Person expressly assumes all of the obligations of the Subsidiary Guarantor under its Notes Guarantee and the Indenture (pursuant to a supplemental indenture executed and delivered in a form reasonably satisfactory to the Trustee) and all obligations of the Subsidiary Guarantor under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents, as applicable (such resulting, surviving or transferee Person, the "*Successor Subsidiary Guarantor*"); and (2) immediately after giving effect to the transaction, no Default or Event of Default shall have occurred and is continuing; or

(c) the transaction constitutes a sale or other disposition (including by way of consolidation or merger) of a Subsidiary Guarantor or the sale or disposition of all or substantially all the assets of a Subsidiary Guarantor (in each case other than to the Issuer or a Restricted Subsidiary) otherwise permitted by the Indenture.

The provisions set forth in this "*Merger and consolidation*" covenant shall not restrict (and shall not apply to): (i) any Restricted Subsidiary that is not the Issuer or a Guarantor from consolidating with, merging or liquidating into or transferring all or substantially all of its properties and assets to the Issuer, a Subsidiary Guarantor or any other Restricted Subsidiary that is not the Issuer or a Guarantor; (ii) any Subsidiary Guarantor from merging or liquidating into or transferring all or part of its properties and assets to the Issuer or another Subsidiary Guarantor; (iii) any consolidation or merger of the Issuer into any Guarantor; *provided* that, if the Issuer is not the surviving entity of such merger or consolidation, the relevant Guarantor will assume the obligations of the Issuer under the Senior Secured Notes, the Indenture, the Intercreditor, any Additional Intercreditor Agreement and the Security Documents and clauses (1) and (4) under the heading "*—The Issuer*" shall apply to such transaction; and (iv) the Issuer or any Guarantor consolidating into or merging or combining with an Affiliate incorporated or organized for the purpose of changing the legal domicile of such entity, reincorporating such entity in another jurisdiction, or changing the legal form of such entity; *provided*, *however*, that clauses (1) and (4) under the heading "*—The Issuer*" or clause (3) under the heading "*—The Subsidiary Guarantors*," as the case may be, shall apply to any such transaction.

Center of main interests and establishments

Prior to a Change of Control, each of the Dutch Security Providers (and any successor Person) will, for the purposes of The Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings (the "*Insolvency Proceedings Regulation*") or otherwise, ensure that its center of main interest (as that term is used in Article 3(1) of the Insolvency Proceedings Regulation) is situated in its original respective jurisdiction of organization and ensure that it has no "establishment" (as that term is used in Article 2(b) of the Insolvency Proceedings Regulation) in any other jurisdiction where to do so could reasonably be expected to adversely affect the interests of the holders of the Notes. Notwithstanding the foregoing, each of the Dutch Security Providers may sell, convey, transfer, lease or dispose of all or substantially all their respective assets or consolidate with or merge into any person to the extent permitted by clause (5) of the covenant described under "*—Maintenance of Dutchco Structure*."

Without prejudice to the generality of the foregoing, prior to a Change of Control each of the Dutch Security Providers (and any successor Person) will:

(1) hold all meetings of its board of directors in the Netherlands (or, if a successor Person is organized and existing under the laws of the Grand Duchy of Luxembourg, in the Grand Duchy of Luxembourg);

(2) keep any share register, official corporate books and account records in the Netherlands (or, if a successor Person is organized and existing under the laws of the Grand Duchy of Luxembourg, in the Grand Duchy of Luxembourg); and

(3) exercise its administration in the Netherlands (or, if a successor Person is organized and existing under the laws of the Grand Duchy of Luxembourg, in the Grand Duchy of Luxembourg).

Maintenance of double Dutchco structure

(1) Prior to a Change of Control, Top Dutchco or any successor Person will not sell, assign, convey, transfer, lease or otherwise dispose of any voting power of the Capital Stock and Voting Stock of Dutchco or any successor Person and will not otherwise cease to own and hold directly all of the total voting power of the Voting Stock of Dutchco or such successor Person and all of the Capital Stock of Dutchco or such Successor Person shall constitute Collateral.

(2) Prior to a Change of Control, Dutchco or any successor Person will not sell, assign, convey, transfer, lease or otherwise dispose of any voting power of the Capital Stock and Voting Stock of Holdco or any successor Person and will not otherwise cease to own and hold directly all of the total voting power of the Voting Stock of Holdco or such successor Person (other than voting power in respect of directors' qualifying shares or shares (or other voting power in the Voting Stock) required by applicable law to be held by a Person other than Dutchco or such Successor Person), and Dutchco or

such Successor Person will ensure that all of the Capital Stock of Holdco or its successor Person (other than directors' qualifying shares or shares (or other Capital Stock) required by applicable law to be held by a Person other than Dutchco or its successor Person) constitutes Collateral.

(3) Prior to a Change of Control, Holdco or any successor Person will not sell, assign, convey, transfer, lease or otherwise dispose of any voting power of the Voting Stock of the Issuer or any successor Person and will not otherwise cease to own and hold directly all of the Capital Stock and total voting power of the Voting Stock of the Issuer or such successor Person (other than voting power in respect of directors' qualifying shares or shares (or other voting power in the Voting Stock) required by applicable law to be held by a Person other than Dutchco or such Successor Person), and Holdco or such Successor Person will ensure that all of the Capital Stock of the Issuer or any Successor Issuer (other than directors' qualifying shares or shares (or other Capital Stock) required by applicable law to be held by a Person other than Dutchco or its successor Person) constitutes Collateral.

(4) Any requirement for Capital Stock to constitute Collateral in this covenant is a requirement that such Collateral secures the Senior Secured Notes and the Notes Guarantees on a senior basis in accordance with the Intercreditor Agreement and any Additional Intercreditor Agreement. Nothing in this covenant shall restrict or prohibit (i) any Liens created by the Security Documents, any Permitted Liens or Permitted Collateral Liens or (ii) any release of Liens over the Collateral that may otherwise be permitted under the Indenture.

(5) Notwithstanding clauses (1)-(3), Top DutchCo and DutchCo may sell, convey, transfer, lease or dispose of all or substantially all their respective assets or consolidate with or merge into any Person, so long as:

(a) In the case of Top DutchCo, (1) the resulting, surviving or transferee person (the "successor Person" of Top Dutchco) will be a Person organized and existing under the laws of The Netherlands or The Grand Duchy of Luxembourg; (2) the successor Person expressly assumes all of the obligations of Top DutchCo under the Indenture (pursuant to a supplemental indenture executed and delivered in a form reasonably satisfactory to the Trustee) and all obligations of Top DutchCo under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents (or the successor Person shall have entered into a security document creating a Lien over the relevant Collateral on substantially the same terms as the corresponding Security Document then in force), as applicable; and (3) immediately after giving effect to the transaction, no Default or Event of Default shall have occurred and is continuing; and

(b) In the case of Dutchco, (1) the resulting, surviving or transferee Person (the "successor Person" of DutchCo) will be a Person organized and existing under the laws of The Netherlands or The Grand Duchy of Luxembourg (and, if organized and existing under the laws of The Grand Duchy of Luxembourg, such Person shall be a société anonyme); (2) the successor Person expressly assumes all of the obligations of DutchCo under the Indenture (pursuant to a supplemental indenture executed and delivered in a form reasonably satisfactory to the Trustee) and all obligations of DutchCo under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents (or the successor Person shall have entered into a security document creating a Lien over the relevant Collateral on substantially the same terms as the corresponding Security Document then in force), as applicable; (3) immediately after giving effect to the transaction, no Default or Event of Default shall have occurred and is continuing; and (4) Top DutchCo shall comply with the provisions of clause (a) of this clause (5).

Limitation on Holdco

Holdco shall not trade, carry on any business or own any assets other than:

(1) the ownership of shares of the Issuer and any finance subsidiary issuer of Parent Senior Notes (provided that such finance subsidiary shall not trade, carry on any business or own any assets other than those which Holdco is permitted under this covenant (other than this clause (1) and clause (4)(a)(i) and (iii) of this covenant);

(2) making an investment in the Issuer in the form of Subordinated Shareholder Funding, purchases of Capital Stock of the Issuer or otherwise contributed to the equity of the Issuer;

(3) the provision of services substantially similar to those provide prior to the Issue Date and the provision of other headquarters services, administrative services, legal, accounting and management services to its Subsidiaries of a type customarily provided by a holding company to its Subsidiaries and the ownership of assets necessary to provide such services;

(4) (a) Incurring (i) Indebtedness outstanding on the Issue Date, (ii) Parent Senior Notes in aggregate principal amount outstanding at any time equal to the aggregate principal amount of Indebtedness that may be Incurred by the Issuer at the time of such Incurrence as permitted by the covenant described under "—*Limitation on Indebtedness*" after giving *pro forma* effect to the Incurrence of such Parent Senior Notes (including *pro forma* application of the proceeds thereof), (iii) Guarantees of Indebtedness of the Issuer or any Restricted Subsidiary, so long as the Incurrence of such Indebtedness is permitted by the covenant described under "—*Limitation on Indebtedness*" and (iv) Subordinated Shareholder Funding (including, in each case, activities reasonably incidental thereto, including performance of the terms and conditions of such Indebtedness or Subordinated Shareholder Funding, to the extent such activities are otherwise permissible under the Indenture); and (b) the granting of Liens permitted under the covenant described under the caption "—*Limitation on Liens*";

(5) rights and obligations arising under the Indenture, the Intercreditor Agreement (or any Additional Intercreditor Agreement), the Security Documents, any Indebtedness permitted by the covenant described under "—*Limitation on Indebtedness*," and any agreement pursuant to which Refinancing Indebtedness in relation to the above Indebtedness is incurred by the Issuer or its Restricted Subsidiaries and other ancillary documents or instruments related thereto, including liabilities under any "parallel debt" obligations under the Intercreditor Agreement, any Additional Intercreditor Agreement, the Security Documents or any security document in respect of Permitted Liens or Permitted Collateral Liens or any Liens in accordance with the covenant described under the caption "—*Certain covenants—Limitation on Liens*" or any other agreement existing on the Issue Date to which it is a party;

(6) the ownership of (i)(A) cash and Cash Equivalents and (B) other property, in each case to the extent contributed substantially concurrently to a Parent Entity in compliance with the covenant described above under the caption "—*Limitation on Restricted Payments*", (ii) Parent Senior Notes and (iii) assets owned by it on the Issue Date;

(7) paying dividends, making distributions and other payments, including the servicing, purchase, redemption or retirement of Subordinated Shareholder Funding, to direct shareholders (a) to the extent funded out of the proceeds received from the Issuer pursuant to a payment made by it in accordance with the terms of the Indenture and (b) with the proceeds of any Parent Senior Notes Incurred pursuant to clause (4) of this covenant, and in each case as permitted or not prohibited under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents or any other security documents to which Holdco is a party for the pledge of assets permitted to be secured under the Indenture;

(8) directly related or reasonably incidental to the establishment and/or maintenance of its or its Subsidiaries corporate existence;

(9) pursuant to or in connection with the Transactions;

(10) (A) the listing of its Capital Stock and the issuance, offering and sale of its Capital Stock (including in a Public Offering), including compliance with applicable regulatory and other obligations in connection therewith, (B) using the net cash proceeds of such issuance, or exchanging or converting such instruments, to fund the purchase, repurchase or redemption of, any Indebtedness or other equity or debt instrument of Holdco or the Issuer, or to contribute to the common equity of the Issuer, to the extent permitted or not prohibited by the Indenture and the relevant Security Documents; and (C) any purchase, repurchase, redemption, or the performance of the terms and conditions of, and exercise of rights in respect of, the foregoing, to the extent such activities are otherwise permitted or not prohibited by the Indenture and the relevant Security Documents, in each case, in relation to transactions authorized or not prohibited by the Indenture;

(11) conducting activities directly related or reasonably incidental to any Initial Public Offering or Equity Offering, including the maintenance of any listing of equity interests issued by any IPO Entity;

(12) making investments in any Parent Senior Notes;

(13) any liabilities or obligations in connection with any employee or participation scheme operated by Holdco, including any management equity plan, incentive plan or other similar scheme operated by, for the benefit of, on behalf of or in respect of Top DutchCo, DutchCo, Holdco, the Issuer or any Restricted Subsidiary (and/or any current or past employees, directors or members of management thereof and any related corporate entity established for such purpose);

(14) the sale, conveyance, transfer, lease or disposition of all or substantially all of its assets to the extent permitted by the covenant described under the caption "—*Merger and consolidation*"; and

(15) other activities not specifically enumerated above that are de *minimis* in nature.

Limitation on Dutch Security Providers

Neither Dutch Security Provider shall trade, carry on any business or own any assets other than:

(1) in the case of Top Dutchco, the ownership of shares of Dutchco to the extent that they form part of the Collateral; in the case of Dutchco, the ownership of shares of Holdco to the extent that they form part of the Collateral;

(2) in the case of Top Dutchco, making an investment in Dutchco in the form of Subordinated Shareholder Funding; in the case of Dutchco, making an investment in Holdco in the form of Subordinated Shareholder Funding;

(3) the provision of administrative services (excluding treasury services), legal, accounting and management services to its Subsidiaries of a type customarily provided by a holding company to its Subsidiaries and the ownership of assets necessary to provide such services;

(4) (a) Incurring (i), in the case of Dutchco, Parent Senior Notes in aggregate principal amount outstanding at any time equal to the aggregate principal amount of Indebtedness that may be Incurred by the Issuer at the time of such Incurrence as permitted by the covenant described under "—*Limitation on Indebtedness*" after giving *pro forma* effect to the Incurrence of such Parent Senior Notes (including *pro forma* application of the proceeds thereof), and (ii) Subordinated Shareholder Funding (including in each case activities reasonably incidental thereto, including performance of the terms and conditions of such Parent Senior Notes and Subordinated Shareholder Funding, to the extent such activities are otherwise permissible under the Indenture); and (b) the granting of Liens under the relevant Security Documents, the pledging of assets of the Dutch Security Providers to secure Indebtedness that is permitted to be secured by Permitted Collateral Liens pursuant to the Indenture and the incurrence of Liens arising by operation of law that are described in the definition "*Permitted Liens*";

(5) rights and obligations arising under the Indenture, the Intercreditor Agreement (or any Additional Intercreditor Agreement), the Security Documents and the Revolving

Credit Facility and any agreement pursuant to which Refinancing Indebtedness in relation to the above Indebtedness is incurred by the Issuer or its Restricted Subsidiaries and other ancillary documents or instruments related thereto, including liabilities under any "parallel debt" obligations under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents or any security document in respect of Permitted Liens or Permitted Collateral Liens or any Liens in accordance with the covenant described under the caption "—*Certain covenants—Limitation on Liens*";

(6) the ownership of (i)(A) cash and Cash Equivalents and (B) other property, in each case to the extent contributed substantially concurrently to a Parent Entity in compliance with the covenant described above under the caption "—*Limitation on Restricted Payments*" and (ii) assets owned by it on the Issue Date;

(7) paying dividends, making distributions and other payments to direct shareholders, including the servicing, purchase, redemption or retirement of Subordinated Shareholder Funding (a) to the extent funded out of the proceeds received (i) in the case of Top Dutchco, from Dutchco or (ii) in the case of Dutchco, from Holdco and (b) with the proceeds of any Parent Senior Notes Incurred pursuant to clause (4) of this covenant, and in each case as permitted or not prohibited under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents or any other security documents to which such Dutch Security Provider is a party for the pledge of assets permitted to be secured under the Indenture;

(8) directly related or reasonably incidental to the establishment and/or maintenance of its or its Subsidiaries corporate existence;

(9) pursuant to or in connection with the Transactions;

(10) (A) the listing of its Capital Stock and the issuance, offering and sale of its Capital Stock (including in a Public Offering), including compliance with applicable regulatory and other obligations in connection therewith, (B) using the net cash proceeds of such issuance, or exchanging or converting such instruments, to fund the purchase, repurchase or redemption of, any Indebtedness or other equity or debt instrument of Holdco or the Issuer, or to contribute to the common equity of the Issuer, to the extent permitted or not prohibited by the Indenture and the relevant Security Documents; and (C) any purchase, repurchase, redemption, or the performance of the terms and conditions of, and exercise of rights in respect of, the foregoing, to the extent such activities are otherwise permitted or not prohibited by the Indenture and the relevant Security Documents, in each case, in relation to transactions authorized or not prohibited by the Indenture;

(11) conducting activities directly related or reasonably incidental to any Initial Public Offering or Equity Offering, including the maintenance of any listing of equity interests issued by any IPO Entity;

(12) the performance of obligations and exercise of rights under contracts or arrangements with any Management Investors or any ManCo, entered into in compliance with the Indenture;

(13) any liabilities or obligations in connection with any employee or participation scheme operated by Holdco, including any management equity plan, incentive plan or other similar scheme operated by, for the benefit of, on behalf of or in respect of Top DutchCo, DutchCo, Holdco, the Issuer or any Restricted Subsidiary (and/or any current or past employees, directors or members of management thereof and any related corporate entity established for such purpose);

(14) the sale, conveyance, transfer, lease or disposition of all or substantially all of its assets to the extent permitted by the covenant described under the caption "—*Maintenance of double Dutchco structure*"; and

(15) other activities not specifically enumerated above that are *de minimis* in nature.

Disapplication of covenants and release of Liens on a Qualifying IPO

In connection with a Qualifying IPO, but (subject to clause (c) of the next paragraph) not earlier than the date of completion of such Qualifying IPO, (a) the Liens over, or granted by, any Dutch Security Providers will be released by the Security Agent without any consent from the Holders and (b) the covenants specifically listed under the following captions under "*—Certain covenants*" will no longer apply or have any effect:

(1) "*—Center of main interests and establishments*";

(2) "*—Maintenance of double Dutchco structure*";

(3) "*—Limitation on Dutch Security Providers*"; and

(4) "*—Limitation on Liens*" (but only with respect to the Dutch Security Providers).

In addition, the release (including any partial release) of any Lien over any Collateral under any Security Document and/or the making of any material amendments to any Security Document will be validly given or made (as applicable) by the Security Agent acting alone and on behalf of the Holders if such amendment or partial release (i) relates to Liens granted under Security Documents over securities issued by one or more Dutch Security Providers or Holdco and, (ii) is made or given (as applicable) in connection with a Qualifying IPO and for the purpose of allowing:

(c) in respect of a Qualifying IPO of Holdco, the holders of securities issued by Holdco to debit, and dispose of, any such securities that are credited on the securities accounts opened in their name and pledged under Security Documents; or

(d) in respect of a Qualifying IPO of a Dutch Security Provider, the holders of securities issued by that Dutch Security Provider to transfer any such securities free of any charge or lien; and

(e) in each case up to the maximum number of such securities required for the purpose of implementing that Qualifying IPO, *provided* that: (i) no such amendment or partial release may be implemented or granted more than (10) Business Days prior to the relevant Qualifying IPO completion date; and (ii) if the Qualifying IPO is not completed as at the initially contemplated Qualifying IPO completion date (unless postponed to a subsequent date falling no later than fifteen (15) Business Days after such initially contemplated completion date, in which case the following sentence shall apply as at such postponed date), the relevant security holders shall promptly credit back all shares debited from the pledged securities account or (as the case may be) transferred free of any Lien and, if required, enter into any Security Documents as may be reasonably requested by the Security Agent and any other relevant representatives of the relevant secured parties (as the case may be), acting reasonably, to ensure that such secured parties benefit from the same scope of Collateral under Security Documents as the one existing prior to the amendment or partial release mentioned above.

If the Notes are then listed on the Irish Stock Exchange and the rules of such exchange so require, the Issuer will publish a notice of the consummation of a Qualifying IPO in a newspaper having general circulation in Ireland (which is expected to be the Irish Times) or, to the extent and in the matter permitted by the Irish Stock Exchange, post such notice on the official website of the Irish Stock Exchange.

Impairment of Security Interest

None of Top Dutchco, Dutchco, Holdco or the Issuer shall, and the Issuer shall not permit any Restricted Subsidiary to, take or knowingly or negligently omit to take any action that would have the result of materially impairing the Security Interest with respect to the Collateral (it being understood, subject to the proviso below, that the Incurrence of Permitted Collateral Liens shall under no circumstances be deemed to materially impair the Security Interest with respect to the Collateral) for the benefit of the Trustee and the Holders, and none of Top Dutchco, Dutchco, Holdco or the Issuer shall, and the Issuer shall not permit any Restricted Subsidiary to, grant to any Person other than the Security Agent, for the benefit of the Trustee and the Holders and the other beneficiaries described in the Security Documents and the Intercreditor Agreement or any Additional Intercreditor Agreement, any interest whatsoever in any of the Collateral, except that (i) the Issuer and its Restricted Subsidiaries may Incur Permitted Collateral Liens, (ii) the Collateral may be discharged and released in accordance with the Indenture, the applicable Security Documents or the Intercreditor Agreement or any Additional Intercreditor Agreement, (iii) the applicable Security Documents may be amended from time to time to cure any ambiguity, mistake, omission, defect, manifest error or inconsistency therein and (iv) the Issuer and its Restricted Subsidiaries may amend the Security Interests in any manner that does not adversely affect holders of the Notes in any material respect; *provided*, *however*, that in the case of clause (i) or (iv) above, the Security Documents may not be amended, extended, renewed, restated, supplemented, released or otherwise modified or replaced, unless contemporaneously with any such action, the Issuer delivers to the Trustee, either (1) a solvency opinion, in form and substance reasonably satisfactory to the Trustee from an Independent Financial Advisor confirming the solvency of the Issuer and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, release, modification or replacement, (2) a certificate from the Board of Directors of the relevant Person, in form and substance reasonably satisfactory to the Trustee, which confirms the solvency of the Person granting such Security Interest, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, release, modification or replacement, or (3) an Opinion of Counsel, in form and substance reasonably satisfactory to the Trustee, confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, release, modification or replacement, the Lien or Liens created under the Security Documents, so amended, extended, renewed, restated, supplemented, released, modified or replaced are valid Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, release, modification or replacement.

In the event that the Issuer complies with the requirements of this covenant, the Trustee and the Security Agent shall (subject to each of the Trustee and the Security Agent being indemnified and secured to its satisfaction, including by way of prefunding) consent to such amendments without the need for instructions from the Holders.

Additional Guarantees

Notwithstanding anything to the contrary in this covenant, no Restricted Subsidiary shall Guarantee the Indebtedness of the Issuer or a Guarantor unless such Restricted Subsidiary is or becomes a Guarantor on the date on which the Guarantee is Incurred and, if applicable, executes and delivers to the Trustee a supplemental indenture in the form attached to the Indenture pursuant to which such Restricted Subsidiary will provide a Notes Guarantee; *provided*, *however*, that such Restricted Subsidiary shall not be obligated to become such a Guarantor to the extent and for so long as the Incurrence of such Notes Guarantee reasonably be expected to give rise to or result in (a) any breach or violation of statutory limitations, corporate benefit, financial assistance, fraudulent preference, thin capitalization rules, capital maintenance rules, guidance and coordination rules or the laws, rules or regulations (or analogous restrictions) of any applicable jurisdiction; (b) any risk or liability for the officers, directors or shareholders of such Restricted Subsidiary; or (c) any cost, expense, liability or obligation (including with respect to any Taxes) other than reasonable out of pocket expenses and other than reasonable expenses incurred in connection with any governmental or regulatory filings required as a result of, or any measures pursuant to clause (b) undertaken in connection with, such Note Guarantee which cannot be avoided through measures reasonably available to the Issuer or any Restricted Subsidiary. At the option of the Issuer, any Notes Guarantee may contain limitations on Guarantor liability to the extent reasonably necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law.

Future Notes Guarantees granted pursuant to this provision shall be released as set forth under "*—Notes Guarantees—Notes Guarantees release*." A Notes Guarantee of a future Guarantor may also be released at the option of the Issuer if at the date of such release either (i) there is no Indebtedness of such Guarantor outstanding which was Incurred after the Issue Date and which could not have been Incurred in compliance with the Indenture if such Guarantor had not been designated as a Guarantor or (ii) there is no Indebtedness of such Guarantor outstanding which was Incurred after the Issue Date and which could not have been Incurred in compliance with the Indenture as at the date of such release if such Guarantor were not designated as a Guarantor as at that date. The Trustee and the Security Agent shall each take all necessary actions, including the granting of releases or waivers under the Intercreditor Agreement or any Additional Intercreditor Agreement, to effectuate any release of a Notes Guarantee in accordance with these provisions, subject to each of the Trustee and the Security Agent being indemnified and secured to its satisfaction, including by way of prefunding.

The validity and enforceability of the Notes Guarantees and the Security Interests and the liability of each Guarantor will be subject to the limitations as described and set out in "*Limitations on validity and enforceability of the Guarantees and the security interests*."

Additional Intercreditor Agreements

The Indenture will provide that, at the request of the Issuer, in connection with the Incurrence by the Issuer or its Restricted Subsidiaries of any (x) Indebtedness permitted pursuant to the first paragraph of the covenant described under "*—Limitation on Indebtedness*" or clause (1), (4), (5), (6), (7) (other than with respect to Capitalized Lease Obligations), (11) or (13) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*" and (y) any Refinancing Indebtedness in respect of Indebtedness referred to in the foregoing clause (x), the Issuer, the relevant Restricted Subsidiaries, the Trustee and the Security Agent shall enter into with the holders of such Indebtedness (or their duly authorized Representatives) an intercreditor agreement (an "*Additional Intercreditor Agreement*") or a restatement, amendment or other modification of the existing Intercreditor Agreement on substantially the same terms as the Intercreditor Agreement (or terms not materially less favorable to the Holders), including containing substantially the same terms with respect to release of Guarantees and priority and release of the Security Interests; *provided* that such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or Security Agent or, in the opinion of the Trustee or Security Agent, as applicable, adversely affect the rights, duties, liabilities or immunities of the Trustee or Security Agent under the Indenture or the Intercreditor Agreement.

The Indenture also will provide that, at the direction of the Issuer and without the consent of Holders, the Trustee and the Security Agent shall from time to time enter into one or more amendments to any Intercreditor Agreement to: (1) cure any ambiguity, omission, defect, manifest error or inconsistency of any such agreement, (2) increase the amount or types of Indebtedness covered by any such agreement that may be Incurred by the Issuer or any Restricted Subsidiary that is subject to any such agreement (including with respect to any Intercreditor Agreement or Additional Intercreditor Agreement, the addition of provisions relating to new Indebtedness ranking junior in right of payment to the Senior Secured Notes), (3) add Restricted Subsidiaries to the Intercreditor Agreement or an Additional Intercreditor Agreement, (4) further secure the Senior Secured Notes (including Additional Senior Secured Notes), (5) make provision for equal and ratable pledges of the Collateral to secure Additional Senior Secured Notes, (6) implement any Permitted Collateral Liens, (7) amend the Intercreditor Agreement or any Additional Intercreditor Agreement in accordance with the terms thereof or (8) make any other change to any such agreement that does not adversely affect the Holders in any material respect. In formulating its opinion on such matters, the Trustee shall be entitled to request and rely absolutely on such evidence as it deems appropriate, including an Officer's Certificate and an Opinion of Counsel. The Issuer shall not otherwise direct the Trustee or the Security Agent to enter into any amendment to any Intercreditor Agreement without the consent of the Holders of the majority in aggregate principal amount of the Senior Secured Notes then outstanding, except as otherwise permitted below under "*—Amendments and waivers*," and the Issuer may only direct the Trustee and the Security Agent to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or Security Agent or, in the opinion of the Trustee or Security Agent, adversely affect their respective rights, duties, liabilities or immunities under the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement.

The Indenture shall also provide that, in relation to any Intercreditor Agreement or Additional Intercreditor Agreement, the Trustee (and Security Agent, if applicable) shall consent on behalf of the Holders to the payment, repayment, purchase, repurchase, defeasance, acquisition, retirement or redemption of any obligations subordinated to the Senior Secured Notes thereby; *provided*, *however*, that such transaction would comply with the covenant described under "*—Limitation on Restricted Payments*."

The Indenture also will provide that each Holder, by accepting a Note, shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement or any Additional Intercreditor Agreement, (whether then entered into or entered into in the future pursuant to the provisions described herein) and to have directed the Trustee and the Security Agent to enter into any such Additional Intercreditor Agreement. A copy of the Intercreditor Agreement or any Additional Intercreditor Agreement shall be made available for inspection during normal business hours on any Business Day upon prior written request at our offices or at the offices of the listing agent.

Lines of business

The Issuer will not, and will not permit any Restricted Subsidiary to, engage in any business other than a Permitted Business, except to such extent as would not be material to the Issuer and its Restricted Subsidiaries, taken as a whole.

Payments for consent

The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any holder of Senior Secured Notes for or as an inducement to any consent, waiver or amendment of any of the terms of the provisions of the Indenture or the Senior Secured Notes unless such consideration is offered to be paid and is paid to all holders of the Senior Secured Notes that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement. Notwithstanding the foregoing, the Issuer and its Restricted Subsidiaries shall be permitted, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Senior Secured Notes, to exclude holders of Senior Secured Notes in any jurisdiction where the solicitation of such consent, waiver or amendment, including in connection with an offer to purchase for cash, or the payment of the consideration therefor, would require the Issuer or any Restricted Subsidiary to file a registration statement, prospectus or similar document under any applicable securities laws (including, but not limited to, the United States federal securities laws and the laws of the European Union or its member states), which the Issuer in its sole discretion determines (acting in good faith) (x) would be materially burdensome (it being understood that it would not be materially burdensome to file the consent document(s) used in other jurisdictions, any substantially similar documents or any summary thereof with the securities or financial services authorities in such jurisdiction); or (y) such solicitation would otherwise not be permitted under applicable law in such jurisdiction.

Maintenance of listing

The Issuer will use its commercially reasonable efforts to obtain and maintain the listing of the Senior Secured Notes on the Irish Stock Exchange for so long as the Senior Secured Notes are outstanding; *provided* that if the Issuer is unable to obtain admission to listing of the Senior Secured Notes on the Irish Stock Exchange or if at any time the Issuer determines that it will not maintain such listing, it will use its commercially reasonable efforts to obtain and maintain a listing of such Senior Secured Notes on another recognized stock exchange.

Suspension of covenants on achievement of Investment Grade Status

If on any date following the Issue Date, the Senior Secured Notes have achieved Investment Grade Status and no Default or Event of Default has occurred and is continuing (a "*Suspension Event*"), then, beginning on that day and continuing until such time, if any, at which the Senior Secured Notes cease to have Investment Grade Status (the "*Reversion Date*"), the provisions of the Indenture summarized under the following captions will not apply to the Senior Secured Notes:

(1) "*—Limitation on Restricted Payments*";

(2) "*—Limitation on Indebtedness*";

(3) "*—Limitation on restrictions on distributions from Restricted Subsidiaries*";

(4) "*—Limitation on Affiliate Transactions*";

(5) "*—Limitation on sales of assets and Subsidiary stock*"; and

(6) the provisions of clause (3) of the first paragraph of the covenant described under "*—Merger and consolidation—The Issuer*,"

and, in each case, any related default provision of the Indenture will cease to be effective and will not be applicable to the Issuer and its Restricted Subsidiaries.

Such covenants and any related default provisions will again apply according to their terms from the first day on which a Suspension Event ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Issuer properly taken during the continuance of the Suspension Event, and no action taken prior to the Reversion Date will constitute a Default or Event of Default. The "Limitation on Restricted Payments" covenant will be interpreted as if it has been in effect since the date of the Indenture but not during the continuance of the Suspension Event. On the Reversion Date, all Indebtedness Incurred during the continuance of the Suspension Event will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under clause (4)(b) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*." In addition, the Indenture will also permit, without causing a Default or Event of Default, the Issuer or any of the Restricted Subsidiaries to honor any contractual commitments or take actions in the future after any date on which the Senior Secured Notes cease to have an Investment Grade Status as long as the contractual commitments were entered into during the Suspension Event and not in anticipation of the Senior Secured Notes no longer having an Investment Grade Status. The Issuer shall notify the Trustee that the conditions set forth in the first paragraph under this caption has been satisfied, *provided* that, no such notification shall be a condition for the suspension of the covenants described under this caption to be effective. The Trustee shall not be obliged to notify Holders of a Suspension Event or, if applicable, upon the occurrence of a Reversion Date.

There can be no assurance that the Senior Secured Notes will ever achieve or maintain an Investment Grade Status.

Events of Default

Each of the following is an "Event of Default" under the Indenture:

(1) default in any payment of interest on any Senior Secured Note issued under the Indenture when due and payable, continued for 30 days;

(2) default in the payment of the principal amount of or premium, if any, on any Senior Secured Note issued under the Indenture when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;

(3) failure by the Issuer, Holdco, any Dutch Security Provider or any Restricted Subsidiary to comply for 60 days after notice by the Trustee or the Holders of at least 25% in principal amount of the outstanding Notes with the agreements contained in the Indenture;

(4) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Issuer or any Restricted Subsidiary (or the payment of which is Guaranteed by the Issuer or any Restricted Subsidiary) other than Indebtedness owed to the Issuer or a Restricted Subsidiary whether such Indebtedness or Guarantee now exists, or is created after the Issue Date, which default:

   (a) is caused by a failure to pay principal at stated maturity on such Indebtedness, immediately upon the expiration of the grace period provided in such Indebtedness ("*payment default*"); or

   (b) results in the acceleration of such Indebtedness prior to its maturity (the "*cross acceleration provision*"), and, in each case, either (i) the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a payment default or the maturity of which has been so accelerated, aggregates €15.0 million or more or (ii) such Indebtedness is secured by a Permitted Collateral Lien and Incurred pursuant to the first paragraph of the covenant described under "*—Certain covenants—Limitation on Indebtedness*" or clause (1) or (6) of the second paragraph of the covenant described under "*—Certain covenants—Limitation on Indebtedness*" secured by Collateral that is, in each case, accorded super senior priority status with respect to proceeds of enforcement of Collateral under the Intercreditor Agreement or any Additional Intercreditor Agreement, and (A) the 30-day consultation period under the Intercreditor Agreement with respect to the enforcement of such Indebtedness has expired, (B) certain insolvency events have occurred or (C) the consultation period under the Intercreditor Agreement does not apply because the Senior Secured Creditors (as defined herein) have determined in good faith that to enter into consultation could reasonably be expected to have a material adverse effect on the Security Agent's ability to enforce any of the Collateral or the realization of proceeds thereof and have instructed the Security Agent as to the enforcement of the Collateral;

(5) certain events of bankruptcy, insolvency or court protection of the Issuer, Holdco, any Dutch Security Provider or a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Issuer and its Restricted Subsidiaries), would constitute a Significant Subsidiary (the "*bankruptcy provisions*");

(6) failure by the Issuer, Holdco, any Dutch Security Provider or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Issuer and its Restricted Subsidiaries), would constitute a Significant Subsidiary to pay final judgments aggregating in excess of €15.0 million (exclusive of any amounts that a solvent insurance company has acknowledged liability for), which judgments are not paid, discharged or stayed for a period of 60 days after the judgment becomes final (the "*judgment default provision*");

(7) any security interest under the Security Documents shall, at any time, cease to be in full force and effect (other than in accordance with the terms of the relevant Security Document, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Indenture) with respect to Collateral having a fair market value in excess of €5.0 million for any reason other than the satisfaction in full of all obligations under the Indenture or the release of any such security interest in accordance with the terms of the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Security Documents, or any such security interest created thereunder shall be declared invalid or unenforceable or the Issuer or any Restricted Subsidiary shall assert in writing that any such security interest is invalid or unenforceable and any such Default continues for 10 days;

(8) any Notes Guarantee of the Issuer or a Significant Subsidiary ceases to be in full force and effect (other than in accordance with the terms of such Notes Guarantee or the Indenture) or is declared invalid or unenforceable in a judicial proceeding or any Guarantor denies or disaffirms in writing its obligations under its Notes Guarantee and any such Default continues for 10 days;

(9) failure by the Issuer, Holdco or a Dutch Security Provider, as applicable, to comply with the provisions of the covenant described under the caption "*—Certain covenants—Center of main interests and establishments*," "*—Certain covenants—Maintenance of double Dutchco structure*," "*—Certain covenants—Limitation on Holdco*" and "*—Certain covenants—Limitation on Dutch Security Providers*"; and

(10) failure by the Issuer to comply with any material terms of the Escrow Agreement that is not cured within 10 days.

If an Event of Default (other than an Event of Default described in clause (5) above) occurs and is continuing, the Trustee by notice to the Issuer or the Holders of at least 25% in principal amount of the outstanding Notes under the Indenture by written notice to the Issuer and the Trustee, may, and the Trustee at the request of such Holders shall, declare the principal of, premium, if any, and accrued and unpaid interest on all the Senior Secured Notes under the Indenture to be due and payable. Upon such a declaration, such principal, premium and accrued and unpaid interest will be due and payable immediately. In the event of a declaration of acceleration of the Senior Secured Notes because an Event of Default described in clause (4) under the immediately preceding paragraph has occurred and is continuing, the declaration of acceleration of the Senior Secured Notes shall be automatically annulled if the event of default or payment default triggering such Event of Default pursuant to clause (4) shall be remedied or cured, or waived by the holders of the Indebtedness, or the Indebtedness that gave rise to such Event of Default shall have been discharged in full, within 30 days after the declaration of acceleration with respect thereto and if (1) the annulment of the acceleration of the Senior Secured Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all existing Events of Default, except nonpayment of principal, premium or interest on the Senior Secured Notes that became due solely because of the acceleration of the Senior Secured Notes, have been cured or waived.

If an Event of Default described in clause (5) above occurs and is continuing, the principal of, premium, if any, and accrued and unpaid interest on all the Senior Secured Notes will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders.

Holders of the Senior Secured Notes may not enforce the Indenture or the Senior Secured Notes except as provided in the Indenture and may not enforce the Security Documents except as provided in such Security Documents and the Intercreditor Agreement or any Additional Intercreditor Agreement.

The Holders of a majority in principal amount of the outstanding Notes under the Indenture by notice to the Trustee may, on behalf of all Holders, waive all past or existing Defaults or Events of Default (except with respect to nonpayment of principal, premium, interest or Additional Amounts, if any) and rescind any such acceleration with respect to such Senior Secured Notes and its consequences if rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

The Trustee may withhold from Holders notice of any continuing Default or Event of Default if it determines that withholding notice is in their interest, except a Default or Event of Default relating to the payment of principal, interest or Additional Amounts or premium, if any, on the Notes.

Subject to the provisions of the Indenture relating to the duties of the Trustee, if an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the Holders unless such Holders have offered to the Trustee indemnity or security (including by way of prefunding) satisfactory to the Trustee in its sole discretion against any loss, liability or expense caused by taking or not taking such action. Except to enforce the right to receive payment of principal or interest when due, no Holder may pursue any remedy with respect to the Indenture or the Senior Secured Notes unless:

(1) such Holder has previously given the Trustee notice that an Event of Default is continuing;

(2) Holders of at least 25% in principal amount of the outstanding Notes have requested the Trustee to pursue the remedy;

(3) such Holders have offered the Trustee security or indemnity (including by way of pre-funding) satisfactory to it in its sole discretion against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of such security or indemnity; and

(5) the Holders of a majority in principal amount of the outstanding Notes have not given the Trustee a direction that, in the opinion of the Trustee, is inconsistent with such request within such 60-day period.

Subject to certain restrictions, the Holders of a majority in principal amount of the outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee.

The Indenture will provide that, in the event an Event of Default has occurred and is continuing, the Trustee will be required in the exercise of its powers to use the degree of care that a prudent person would use in the conduct of its own affairs. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other Holder or that would involve the Trustee in personal liability. Prior to taking any action under the Indenture, the Trustee will be entitled to indemnification or security (including by way of prefunding) satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action. The Indenture will provide that if a Default occurs and is continuing and the Trustee is informed of such occurrence by the Issuer, the Trustee must give notice of the Default to the Holders within 60 days after being notified by the Issuer. Except in the case of a Default in the payment of principal of, or premium, if any, or interest on any Senior Secured Note, the Trustee may withhold notice if and so long as the Trustee determines that withholding notice is in the interests of the Holders. The Issuer is required to deliver to the Trustee, within 120 days after the end of each fiscal year, an Officer's Certificate indicating whether the signers thereof know of any Default or Event of Default that occurred during the previous year. The Issuer is required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any events of which it is aware which would constitute certain Defaults, their status and what action the Issuer is taking or proposes to take in respect thereof.

The Indenture will provide that (i) if a Default occurs for a failure to deliver a required certificate in connection with another default (an "*Initial Default*") then at the time such Initial Default is cured, such Default for a failure to report or deliver a required certificate in connection with the Initial Default will also be cured without any further action and (ii) any Default or Event of Default for the failure to comply with the time periods prescribed in the covenant entitled "*—Certain covenants —Reports*" or otherwise to deliver any notice or certificate pursuant to any other provision of this Indenture shall be deemed to be cured upon the delivery of any such report required by such covenant or notice or certificate, as applicable, even though such delivery is not within the prescribed period specified in the Indenture.

The Indenture will provide for the Trustee to take action on behalf of the Holders in certain circumstances, but only if the Trustee is indemnified or secured to its satisfaction in its sole discretion (including by way of prefunding). It may not be possible for the Trustee to take certain actions in relation to the Senior Secured Notes and, accordingly, in such circumstances the Trustee will be unable to take action, notwithstanding the provision of an indemnity to it, and it will be for Holders to take action directly.

Amendments and waivers

Subject to certain exceptions, the Senior Secured Notes Documents may be amended, supplemented or otherwise modified with the consent of Holders of at least a majority in principal amount of the Senior Secured Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Senior Secured Notes) and, subject to certain exceptions, any default or compliance with any provisions thereof may be waived with the consent of the Holders of at least a majority in principal amount of the Senior Secured Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Senior Secured Notes). However, without the consent of Holders holding not less than 90% (or, in the case of clause (8), 75%) of the then outstanding principal amount of the Senior Secured Notes affected, an amendment or waiver may not, with respect to any Senior Secured Notes held by a non-consenting Holder:

(1) reduce the principal amount of Senior Secured Notes whose Holders must consent to an amendment, waiver or modification;

(2) reduce the stated rate of or extend the stated time for payment of interest on any Senior Secured Note;

(3) reduce the principal of or extend the Stated Maturity of any Senior Secured Note;

(4) reduce the premium payable upon the redemption of any Senior Secured Note or change the time at which any Senior Secured Note may be redeemed, in each case as described under "*—Optional redemption*";

(5) make any Senior Secured Note payable in money other than that stated in the Senior Secured Note;

(6) impair the right of any Holder to receive payment of principal of and interest or Additional Amounts, if any, on such Holder's Senior Secured Notes on or after the due dates therefor or to institute suit for the enforcement of any such payment on or with respect to such Holder's Senior Secured Notes;

(7) make any change in the provision of the Indenture described under "*—Withholding Taxes*" that adversely affects the right of any Holder of such Senior Secured Notes in any material respect or amends the terms of such Senior Secured Notes in a way that would result in a loss of an exemption from any of the Taxes described thereunder or an exemption from any obligation to withhold or deduct Taxes so described thereunder unless the Issuer agrees to pay Additional Amounts, if any, in respect thereof;

(8) release any security interests granted for the benefit of the Holders in the Collateral other than in accordance with the terms of the Security Documents, the Intercreditor Agreement, any applicable Additional Intercreditor Agreement or the Indenture;

(9) waive a Default or Event of Default with respect to the nonpayment of principal, premium or interest or Additional Amounts, if any, on the Senior Secured Notes (except pursuant to a rescission of acceleration of the Senior Secured Notes by the Holders of at least a majority in aggregate principal amount of such Senior Secured Notes and a waiver of the payment default that resulted from such acceleration);

(10) release any Guarantor from any of its obligations under its Notes Guarantee or the Indenture, except in accordance with the terms of the Indenture and the Intercreditor Agreement; or

(11) make any change in the amendment or waiver provisions which require the Holders' consent described in this sentence.

Notwithstanding the foregoing, without the consent of any Holder, the Issuer, the Issuer, the Trustee, the Security Agent and the other parties thereto, as applicable, may amend or supplement any Senior Secured Notes Documents to:

(1) cure any ambiguity, omission, defect, error or inconsistency;

(2) provide for the assumption by a successor Person of the obligations of the Issuer or any Restricted Subsidiary under any Senior Secured Notes Document;

(3) add to the covenants or provide for a Notes Guarantee for the benefit of the Holders or surrender any right or power conferred upon the Issuer or any Restricted Subsidiary;

(4) make any change that would provide additional rights or benefits to the Trustee or the Holders or that does not adversely affect the rights or benefits to the Trustee or any of the Holders in any material respect under the Senior Secured Notes Documents;

(5) make such provisions as necessary (as determined in good faith by the Board of Directors or a member of Senior Management of the Issuer) for the issuance of Additional Senior Secured Notes;

(6) to provide for any Restricted Subsidiary to provide a Notes Guarantee in accordance with the covenant described under "*—Certain covenants—Limitation on Indebtedness*" or "*—Additional Guarantees*," to add Guarantees with respect to the Senior Secured Notes, to add security to or for the benefit of the Senior Secured Notes, or to confirm and evidence the release, termination, discharge or retaking of any Notes Guarantee or Lien (including the Collateral and the Security Documents) or any amendment in respect thereof with respect to or securing the Senior Secured Notes when such release, termination, discharge or retaking or amendment is provided for under the Indenture, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement;

(7) to conform the text of the Indenture, the Security Documents or the Senior Secured Notes to any provision of this "*Description of the Senior Secured Notes*" to the extent that such provision in this "*Description of the Senior Secured Notes*" was intended to be a verbatim recitation of a provision of the Indenture, the Security Documents or the Senior Secured Notes;

(8) to evidence and provide for the acceptance and appointment under the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement of a successor Trustee or Security Agent pursuant to the requirements thereof or to provide for the accession by the Trustee or Security Agent to any Senior Secured Notes Document;

(9) in the case of the Security Documents, to mortgage, pledge, hypothecate or grant a security interest in favor of the Security Agent for the benefit of the Holders or parties to the Revolving Credit Facility, in any property which is required by the Security Documents or the Revolving Credit Facility (as in effect on the Issue Date) to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the Security Agent, or to the extent necessary to grant a security interest in the Collateral for the benefit of any Person; provided that the granting of such security interest is not prohibited by the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement and the covenant described under "*—Certain covenants—Impairment of Security Interest*" is complied with; or

(10) as provided in "*—Certain covenants—Additional Intercreditor Agreements*."

In formulating its decision on such matters, the Trustee shall be entitled to require and rely absolutely on such evidence as it deems appropriate, including Officer's Certificates and Opinions of Counsel.

The consent of the Holders is not necessary under the Indenture to approve the particular form of any proposed amendment of any Senior Secured Notes Document. It is sufficient if such consent approves the substance of the proposed amendment. A consent to any amendment or waiver under the Indenture by any Holder of Senior Secured Notes given in connection with a tender of such Holder's Senior Secured Notes will not be rendered invalid by such tender.

For so long as the Senior Secured Notes are listed on the Irish Stock Exchange and the rules of such exchange so require, the Issuer will publish notice of any amendment, supplement and waiver in Ireland in a daily newspaper with general circulation in Ireland (which is expected to be the *Irish Times*). Such notice of any amendment, supplement and waiver may instead be published on the website of the Irish Stock Exchange (*www.ise.ie*).

Acts by Holders

In determining whether the Holders of the required principal amount of the Senior Secured Notes have concurred in any direction, waiver or consent, the Senior Secured Notes owned by the Issuer or by any Person directly or indirectly controlled, or controlled by, or under direct or indirect common control with, the Issuer will be disregarded and deemed not to be outstanding.

Defeasance

The Issuer at any time may terminate all obligations of the Issuer and each Guarantor under the Senior Secured Notes and the Indenture ("*legal defeasance*") and cure all then existing Defaults and Events of Default, except for certain obligations, including those respecting the defeasance trust, the rights, powers, trusts, duties, immunities and indemnities of the Trustee and the obligations of the Issuer in connection therewith and obligations concerning issuing temporary Senior Secured Notes, registration of Senior Secured Notes, mutilated, destroyed, lost or stolen Senior Secured Notes and the maintenance of an office or agency for payment and money for security payments held in trust. Subject to the foregoing, if the Issuer exercises its legal defeasance option, the Notes Security Documents and the rights of the Trustee and the Holders under the Intercreditor Agreement or any Additional Intercreditor Agreement in effect at such time will terminate (other than with respect to the defeasance trust).

The Issuer at any time may terminate its and the Guarantors' obligations under the covenants described under "*Certain covenants*" (other than clauses (1), (2) and (4) of the covenant described under "*—Certain covenants—Merger and consolidation—The Issuer*") and "*Change of Control*" and the default provisions relating to such covenants described under "*Events of Default*" above, the operation of the cross-default upon a payment default, the cross acceleration provisions, the bankruptcy provisions with respect to Significant Subsidiaries, the judgment default provision, the guarantee provision (other than in respect of the Issuer) and the security default provision described under "*—Events of Default*" ("*covenant defeasance*").

The Issuer at its option at any time may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If the Issuer exercises its legal defeasance option, payment of the Senior Secured Notes may not be accelerated because of an Event of Default with respect to such Senior Secured Notes. If the Issuer exercises its covenant defeasance option with respect to the Senior Secured Notes, payment of the Senior Secured Notes may not be accelerated because of an Event of Default specified in clause (3) (other than with respect to clauses (1), (2) and (4) of the covenant described under "*—Certain covenants—Merger and consolidation—The Issuer*"), (4), (5) (other than with respect to the Issuer, Holdco and the Dutch Security Providers), (6), (7) or (8) under "*—Events of Default*."

In order to exercise either defeasance option, the Issuer must irrevocably deposit in trust (the "*defeasance trust*") with the Trustee (or another entity designated or appointed (as agent) by the Trustee for this purpose) cash in euros or euro-denominated European Government Obligations or a combination thereof sufficient, in the opinion of a nationally recognized investment bank, appraisal firm or firm of independent public accountants, for the payment of principal, premium, if any, and interest on the Senior Secured Notes to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the Trustee of:

(1) an opinion of tax counsel in the United States to the effect that Holders and beneficial owners of the relevant Senior Secured Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and in the case of legal defeasance only, such opinion of tax counsel in the United States must be based on a ruling received from, or published by, the U.S. Internal Revenue Service or other change in applicable U.S. federal income tax law occurring after the Issue Date);

(2) an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of defeating, hindering, delaying, defrauding or preferring any creditors of the Issuer and the Guarantors;

(3) an Officer's Certificate and an Opinion of Counsel (which opinion of counsel may be subject to customary assumptions and exclusions), each stating that all conditions precedent provided for or relating to legal defeasance or covenant defeasance, as the case may be, have been complied with;

(4) an Opinion of Counsel to the effect that the trust resulting from the deposit does not constitute, or is qualified as, a regulated investment company under the U.S. Investment Company Act of 1940; and

(5) the Issuer delivers to the Trustee all other documents or other information that the Trustee may reasonably require in connection with either defeasance option.

Satisfaction and discharge

The Indenture, and the rights of the Trustee and the Holders under the Intercreditor Agreement and any Additional Intercreditor Agreement and the Security Documents will be discharged and cease to be of further effect (except as to surviving rights of conversion or transfer or exchange of the Senior Secured Notes, as expressly provided for in the Indenture) as to all outstanding Senior Secured Notes when (1) either (a) all the Senior Secured Notes previously authenticated and delivered (other than certain lost, stolen or destroyed Senior Secured Notes, and certain Senior Secured Notes for which provision for payment was previously made and thereafter the funds have been released to the Issuer) have been delivered to the Paying Agent for cancellation; or (b) all Senior Secured Notes not previously delivered to the Paying Agent for cancellation

(i) have become due and payable, (ii) will become due and payable at their Stated Maturity within one year or (iii) are to be called for redemption within one year under arrangements reasonably satisfactory to the Trustee for the giving of notice of redemption by the Paying Agent in the name, and at the expense, of the Issuer; (2) the Issuer has deposited or caused to be deposited with the Trustee (or another entity designated or appointed (as agent) by the Trustee for this purpose), money or euro-denominated European Government Obligations, or a combination thereof, as applicable, in an amount sufficient to pay and discharge the entire Indebtedness on the Senior Secured Notes not previously delivered to the Paying Agent for cancellation, for principal, premium, if any, and interest to the date of deposit (in the case of Senior Secured Notes that have become due and payable), or to the Stated Maturity or redemption date, as the case may be; (3) the Issuer has paid or caused to be paid all other sums payable under the Indenture and all sums payable to the Trustee under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents; (4) the Issuer has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Senior Secured Notes at maturity or on the redemption date, as the case may be; and (5) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel each to the effect that all conditions precedent under the "*Satisfaction and discharge*" section of the Indenture relating to the satisfaction and discharge of the Indenture have been complied with, *provided* that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (1), (2), (3) and (5)).

No personal liability of directors, officers, employees and shareholders

No director, officer, employee, incorporator or shareholder of the Issuer, the Issuer or any of their respective Subsidiaries or Affiliates, as such, shall have any liability for any obligations of the Issuer, the Issuer or any Guarantor under the Senior Secured Notes Documents or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Senior Secured Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Senior Secured Notes. Such waiver may not be effective to waive liabilities under the U.S. federal securities laws and it is the view of the SEC that such a waiver is against public policy.

Concerning the Trustee and certain agents

U.S. Bank Trustees Limited is to be appointed as Trustee under the Indenture. The Indenture will provide that, except during the continuance of an Event of Default, the Trustee will perform only such duties as are set forth specifically in the Indenture. During the existence of an Event of Default, the Trustee will exercise such of the rights and powers vested in it under the Indenture and use the same degree of care that a prudent Person would use in conducting its own affairs. The permissive rights of the Trustee to take or refrain from taking any action enumerated in the Indenture will not be construed as an obligation or duty.

The Trustee, any Paying Agent or any other such agent will be permitted to engage in other transactions with the Issuer and its Affiliates and Subsidiaries. If the Trustee or any Agent becomes the Holder, beneficial owner or pledgee of any Notes, it may deal with the Issuer with the same rights it would have if it were not the Trustee, any Paying Agent or any other such Agent.

The Indenture will set out the terms under which the Trustee may retire or be removed, and replaced. Such terms will include, among others, (1) that the Trustee may be removed at any time by the Holders of a majority in principal amount of the then outstanding Notes, or may resign at any time by giving written notice to the Issuer and (2) that if the Trustee at any time (a) has or acquires a conflict of interest that is not eliminated, or (b) becomes incapable of acting as Trustee or becomes insolvent or bankrupt, then the Issuer may remove the Trustee, or any Holder who has been a *bona fide* Holder for not less than six months may petition any court for removal of the Trustee and appointment of a successor Trustee.

Any removal or resignation of the Trustee shall not become effective until the acceptance of appointment by the successor Trustee.

The Indenture will contain provisions for the indemnification of the Trustee for any loss, liability, Taxes or expenses Incurred without gross negligence, willful default or fraud on its part, arising out of or in connection with the acceptance or administration of the Indenture.

Notices

For so long as any of the Senior Secured Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, notices of the Issuer with respect to the Senior Secured Notes will be published on the website of the Irish Stock Exchange (*www.ise.ie*). In addition, for so long as any Senior Secured Notes are represented by Global Notes, all notices to Holders of the Senior Secured Notes will be delivered by or on behalf of the Issuer to Euroclear and Clearstream. Such notices may instead be published in a daily newspaper with general circulation in Ireland (which is expected to be the *Irish Times*) or if, in the opinion of the Issuer such publication is not practicable, in an English language newspaper having general circulation in Europe.

Each such notice shall be deemed to have been given on the date of such publication or, if published more than once on different dates, on the first date on which publication is made; *provided* that, if notices are mailed, such notice shall be deemed to have been given on the later of such publication and the seventh day after being so mailed. Any notice or communication mailed to a Holder shall be mailed to such Person by first-class mail or other equivalent means and shall be sufficiently given to such Holder if so mailed within the time prescribed. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it. If a notice or communication is given in via Euroclear or Clearstream, it is duly given on the day the notice is given to Euroclear or Clearstream.

Prescription

Claims against the Issuer and the Guarantors for the payment of principal, or premium, if any, on the Senior Secured Notes will be prescribed ten years after the applicable due date for payment thereof. Claims against the Issuer and the Guarantors for the payment of interest on the Senior Secured Notes will be prescribed six years after the applicable due date for payment of interest.

Currency indemnity and calculation of euro-denominated restrictions

The euro is the sole currency of account and payment for all sums payable by the Issuer and the Guarantors, if any, under or in connection with the Senior Secured Notes and the Notes Guarantees, if any, including damages. Any amount received or recovered in a currency other than euro, whether as a result of, or the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer, any Guarantor or otherwise by any Holder or by the Trustee, in respect of any sum expressed to be due to it from the Issuer or a Guarantor will only constitute a discharge to the Issuer or such Guarantor, as applicable, to the extent of the euro amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

If that euro amount is less than the euro amount expressed to be due to the recipient or the Trustee under any Senior Secured Note (as applicable), the Issuer and the Guarantors will indemnify them against any loss sustained by such recipient or the Trustee as a result. In any event, the Issuer and the Guarantors will indemnify the recipient or the Trustee on a joint and several basis against the cost of making any such purchase. For the purposes of this currency indemnity provision, it will be *prima facie* evidence of the matter stated therein for the Holder of a Senior Secured Note or the Trustee to certify in a manner reasonably satisfactory to the Issuer (indicating the sources of information used) the loss it Incurred in making any such purchase. These indemnities constitute a separate and independent obligation from the Issuer's and the Guarantors' other obligations, will give rise to a separate and independent cause of action, will apply irrespective of any waiver granted by any Holder of a Senior Secured Note or the Trustee (other than a waiver of the indemnities set out herein) and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Senior Secured Note or any Notes Guarantee, or to the Trustee.

Except as otherwise specifically set forth herein, for purposes of determining compliance with any euro-denominated restriction herein, the Euro Equivalent amount for purposes hereof that is denominated in a non-euro currency shall be calculated based on the relevant currency exchange rate in effect on the date such non-euro amount is Incurred or made, as the case may be.

Listing

Application will be made to list the Senior Secured Notes on the Official List of the Irish Stock Exchange and to admit the Senior Secured Notes to trading on the Global Exchange Market thereof. There can be no assurance that the application to list the Senior Secured Notes on the Official List of the Irish Stock Exchange and to admit the Senior Secured Notes on the Global Exchange Market will be approved and settlement of the Senior Secured Notes is not conditioned on obtaining such listing.

Enforceability of judgments

Since substantially all of the assets of the Issuer and the Guarantors are located outside the United States, any judgment obtained in the United States against the Issuer or the Guarantors, including judgments with respect to the payment of principal, premium, interest, Additional Amounts, if any, and any redemption price and any purchase price with respect to the Senior Secured Notes, may not be collectable within the United States.

Consent to jurisdiction and service

In relation to any legal action or proceedings arising out of or in connection with the Indenture and the Senior Secured Notes, the Issuer and the Guarantors will in the Indenture irrevocably submit to the jurisdiction of the federal and state courts in the Borough of Manhattan in the City of New York, County and State of New York, United States. The Senior Secured Indenture will provide that the Issuer, the Dutch Security Providers and each Guarantor will appoint CT Corporation System as their agent for service of process in any suit, action or proceeding with respect to the Indenture, the Notes and the Notes Guarantees brought in any U.S. federal or New York state court located in the City of New York.

Governing law

The Indenture and the Senior Secured Notes, and the rights and duties of the parties thereunder, shall be governed by and construed in accordance with the laws of the State of New York. The Intercreditor Agreement and the rights and duties of the parties thereunder shall be governed by and construed in accordance with the laws of England.

Certain definitions

"*Acquired Indebtedness*" means Indebtedness (1) of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary, or (2) assumed in connection with the acquisition of assets from such Person, in each case whether or not Incurred by such Person in connection with such Person becoming a Restricted Subsidiary of the Issuer or such acquisition or (3) of a Person at the time such Person merges with or into or consolidates or otherwise combines with the Issuer or any Restricted Subsidiary. Acquired Indebtedness shall be deemed to have been Incurred, with respect to clause (1) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary and, with respect to clause (2) of the preceding sentence, on the date of consummation of such acquisition of assets and, with respect to clause (3) of the preceding sentence, on the date of the relevant merger, consolidation or other combination.

"*ACR Acquisition Agreement*" means the contemplated acquisition agreement providing for the acquisition of the Target by the Additional Guarantor, potentially to be entered into between the Additional Guarantor, as buyer, and the sellers named therein.

"*Additional Guarantor*" means Autodistribution S.A.

"*Affiliate*" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "*control*" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "*controlling*" and "*controlled*" have meanings correlative to the foregoing.

"*Asset Disposition*" means any direct or indirect sale, lease (other than an operating lease entered into in the ordinary course of business), transfer, issuance or other disposition, or a series of related sales, leases (other than operating leases entered into in the ordinary course of business), transfers, issuances or dispositions that are part of a common plan, of shares of Capital Stock of a Subsidiary, property or other assets (each referred to for the purposes of this definition as a "disposition") by the Issuer or any Restricted Subsidiary, including any disposition by means of a merger, consolidation or similar transaction. Notwithstanding the preceding provisions of this definition, the following items shall be deemed not to be Asset Dispositions:

(1) a disposition by a Restricted Subsidiary to the Issuer or by the Issuer or a Restricted Subsidiary to a Restricted Subsidiary; *provided* that a disposition of property or other assets constituting Collateral by the Issuer or a Restricted Subsidiary to a Restricted Subsidiary that is not a Guarantor and that has Incurred Indebtedness pursuant to, and that is outstanding under, clause (5) of the second paragraph of the covenant described under "*—Certain covenants—Limitation on Indebtedness*" (other than Acquired Indebtedness described in sub-clause (i) of such clause (5)) shall be deemed to be an Asset Disposition unless such disposition is permitted under another exemption from the definition of Asset Disposition;

(2) a disposition of cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

(3) a disposition of inventory, trading stock, security equipment or other equipment or assets in the ordinary course of business;

(4) a disposition of obsolete, damaged, retired, surplus or worn out equipment or assets or equipment, facilities or other assets that are no longer useful in the conduct of the business of the Issuer and the Restricted Subsidiaries and any transfer, termination, unwinding or other disposition of hedging instruments or arrangements not for speculative purposes;

(5) transactions permitted under "*—Certain covenants—Merger and consolidation*" or a transaction that constitutes a Change of Control;

(6) an issuance of Capital Stock by a Restricted Subsidiary to the Issuer or to another Restricted Subsidiary or as part of or pursuant to an equity incentive or compensation plan approved by the Board of Directors or the issuance of directors' qualifying shares and shares issued to individuals as required by applicable law;

(7) any dispositions of Capital Stock, properties or assets in a single transaction or series of related transactions with a fair market value (as determined in good faith by the Board of Directors or a member of Senior Management of the Issuer) of less than €7.5 million;

(8) any Restricted Payment that is permitted to be made, and is made, under the covenant described above under "*—Certain covenants—Limitation on Restricted Payments*" and the making of any Permitted Payment or Permitted Investment or, solely for purposes of the second paragraph of the covenant described under "*—Certain covenants—Limitation on sales of assets and Subsidiary stock*," dispositions, the proceeds of which are used to make such Restricted Payments or Permitted Investments;

(9) the granting of Liens not prohibited by the covenant described above under the caption "*—Certain covenants—Limitation on Liens*";

(10) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements or any sale of assets received by the Issuer or a Restricted Subsidiary upon the foreclosure of a Lien granted in favor of the Issuer or any Restricted Subsidiary;

(11) the licensing or sub-licensing of intellectual property or other general intangibles and licenses, sub- licenses, leases or subleases of other property, in each case, in the ordinary course of business;

(12) foreclosure, condemnation, taking by eminent domain or any similar action with respect to any property or other assets;

(13) the sale or discount (with or without recourse, and on customary or commercially reasonable terms) of accounts receivable or notes receivable arising in the ordinary course of business, or the conversion or exchange of accounts receivable for notes receivable;

(14) sales or dispositions of receivables in connection with any Qualified Receivables Financing or any factoring transaction or otherwise in the ordinary course of business;

(15) any issuance, sale or disposition of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary;

(16) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Issuer or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired, or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;

(17) any surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;

(18) an issuance or sale by a Restricted Subsidiary of Preferred Stock or Redeemable Capital Stock that is permitted by the covenant described above under "*—Certain covenants—Limitation on Indebtedness*"; and

(19) any disposition with respect to property built, owned or otherwise acquired by the Issuer or any Restricted Subsidiary pursuant to customary sale and lease-back transactions, asset securitizations and other similar financings permitted by the Indenture.

"*Associate*" means (i) any Person engaged in a Similar Business of which the Issuer or its Restricted Subsidiaries are the legal and beneficial owners of between 20% and 50% of all outstanding Voting Stock and (ii) any joint venture entered into by the Issuer or any Restricted Subsidiary of the Issuer.

"*Board of Directors*" means (1) with respect to the Issuer or any corporation, the board of directors or managers, as applicable, of the corporation, or any duly authorized committee thereof; (2) with respect to any partnership, the board of directors or other governing body of the general partner of the partnership or any duly authorized committee thereof; and (3) with respect to any other Person, the board or any duly authorized committee of such Person serving a similar function. Whenever any provision of the Indenture requires any action or determination to be made by, or any approval of, a Board of Directors, such action, determination or approval shall be deemed to have been taken or made if approved by a majority of the directors (excluding employee representatives, if any) on any such Board of Directors (whether or not such action or approval is taken as part of a formal board meeting or as a formal board approval).

"*Business Day*" means each day that is not a Saturday, Sunday or other day on which banking institutions in Paris, France, Dublin, Ireland or London, United Kingdom are authorized or required by law to close.

"*Capital Stock*" of any Person means any and all shares of, rights to purchase, warrants or options for, or other equivalents of or partnership or other interests in (however designated), equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"*Capitalized Lease Obligations*" means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes on the basis of IFRS (as in effect on the Issue Date for purposes of determining whether a lease is a capitalized lease). The amount of Indebtedness will be, at the time any determination is to be made, the amount of such obligation required to be capitalized on a balance sheet (excluding any notes thereto) prepared in accordance with IFRS, and the stated maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

"*Cash Equivalents*" means:

(1) securities issued or directly and fully Guaranteed or insured by the United States or Canadian governments, a member state of the Pre-Expansion European Union (other than Greece, Portugal or Spain), Switzerland or Norway or, in each case, any agency or instrumentality of thereof (*provided* that the full faith and credit of such country or such member state is pledged in support thereof), having maturities of not more than two years from the date of acquisition;

(2) certificates of deposit, time deposits, eurodollar time deposits, overnight bank deposits or bankers' acceptances having maturities of not more than one year from the date of acquisition thereof issued by any lender party to the Revolving Credit Facility or by any bank or trust company (a) whose commercial paper is rated at least "A-1" or the equivalent thereof by S&P or at least "P-1" or the equivalent thereof by Moody's (or if at the time neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) or (b) (in the event that the bank or trust company does not have commercial paper which is rated) having combined capital and surplus in excess of €250 million;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (1) and (2) entered into with any bank meeting the qualifications specified in clause (2) above;

(4) commercial paper rated at the time of acquisition thereof at least "A-2" or the equivalent thereof by S&P or "P-2" or the equivalent thereof by Moody's or carrying an equivalent rating by a Nationally Recognized Statistical Rating Organization, if both of the two named rating agencies cease publishing ratings of investments or, if no rating is available in respect of the commercial paper, the issuer of which has an equivalent rating in respect of its long-term debt, and in any case maturing within one year after the date of acquisition thereof;

(5) readily marketable direct obligations issued by any state of the United States of America, any province of Canada, any member of the European Union, Switzerland or Norway or any political subdivision thereof, in each case, having one of the two highest rating categories obtainable from either Moody's or S&P (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of not more than two years from the date of acquisition;

(6) Indebtedness or preferred stock issued by Persons with a rating of "BBB-" or higher from S&P or "Baa3" or higher from Moody's (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of 12 months or less from the date of acquisition;

(7) bills of exchange issued in the United States, Canada, a member state of the European Union, Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(8) interests in any investment company, money market or enhanced high yield fund which invests 95% or more of its assets in instruments of the type specified in clauses (1) through (7) above; and

(9) for purposes of clause (2) of the definition of "Asset Disposition," the marketable securities portfolio owned by the Issuer and its Subsidiaries on the Issue Date.

"*Change of Control*" means the occurrence of any of the following:

(1) the Issuer becoming aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) any "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Issue Date), other than one or more Permitted Holders, is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Issue Date), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Issuer; or

(2) the sale, lease, transfer, conveyance or other disposition (other than by way of merger, consolidation or other business combination transaction), in one or a series of related transactions, of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries taken as a whole to a Person, other than a Restricted Subsidiary or one or more Permitted Holders,

provided that, in each case, a Change of Control shall not be deemed to have occurred if such Change of Control is also a Specified Change of Control Event.

"*CICE*" means the competitive and employment tax credit pursuant to the French 3rd Amended Finance Law for 2012 (*3ème loi de finances rectificative pour 2012*) no 2012-1510 dated December 29, 2012.

"*CICE Financing*" means Indebtedness under an agreement pursuant to which current or future CICE payments or claims of the Issuer or any Restricted Subsidiary are assigned.

"*Clearstream*" means Clearstream Banking, *société anonyme*, as currently in effect or any successor securities clearing agency.

"*Collateral*" means any and all assets from time to time in which a security interest has been or will be granted on the Issue Date or thereafter pursuant to any Security Document to secure the obligations under the Indenture, the Senior Secured Notes and/or any Notes Guarantee.

"*Commodity Hedging Agreements*" means, in respect of a Person, any commodity purchase contract, commodity futures or forward contract, commodities option contract or other similar contract (including commodities derivative agreements or arrangements), to which such Person is a party or a beneficiary.

"*Completion Date*" has the meaning accorded that term under the caption "*Escrow of proceeds; Special Mandatory Redemption*."

"*Consolidated EBITDA*" for any period means, without duplication, the Consolidated Net Income for such period, plus the following to the extent deducted in calculating such Consolidated Net Income:

(1) Consolidated Interest Expense;

(2) Consolidated Income Taxes;

(3) consolidated depreciation expense;

(4) consolidated amortization or impairment expense;

(5) any expenses, charges or other costs related to any issuance of Capital Stock, listing of Capital Stock, Investment, acquisition (including amounts paid in connection with the acquisition or retention of one or more individuals comprising part of a management team retained to manage the acquired business and any expenses, charges or other costs related to deferred or contingent payments), disposition, recapitalization or the Incurrence of any Indebtedness permitted by the Indenture (whether or not successful) (including any such fees, expenses or charges related to the Transactions (including any expenses in connection with related due diligence activities)), in each case, as determined in good faith by the Board of Directors or a member of Senior Management of the Issuer;

(6) any minority interest expense (whether paid or not) consisting of income attributable to minority equity interests of third parties in such period or any prior period or any net earnings, income or share of profit of any Associates, associated company or undertaking, except to the extent of dividends declared or paid on, or other cash payments in respect of, equity interests held by such third parties;

(7) the amount of management, monitoring, consulting and advisory fees and related expenses paid in such period to the Permitted Holders to the extent permitted by the covenant described under "*—Certain covenants—Limitation on Affiliate Transactions*";

(8) other non-cash charges, write-downs or items reducing Consolidated Net Income (excluding any non-cash items related to CICE and any such non-cash charge, write-down or item to the extent it represents an accrual of or reserve for cash charges

expected to be paid in any future period) or other items classified by the Issuer as special items less other non-cash items of income increasing Consolidated Net Income (excluding any such non-cash item of income to the extent it represents a receipt of cash expected to be paid in any future period); and

(9) any Receivables Fees and discounts on the sale of accounts receivables in connection with any Qualified Receivables Financing representing, in the Issuer's reasonable determination, the implied interest component of such discount for such period.

"*Consolidated Income Taxes*" means Taxes or other payments, including deferred taxes, based on income, profits or capital of any of the Issuer and its Restricted Subsidiaries whether or not paid, estimated, accrued or required to be remitted to any governmental authority.

"*Consolidated Interest Expense*" means, for any period (in each case, determined on the basis of IFRS), the consolidated net interest income (expense) of the Issuer and its Restricted Subsidiaries, whether paid or accrued, plus or including (without duplication) any interest, costs and charges consisting of:

(1) interest expense attributable to Capitalized Lease Obligations;

(2) amortization of original issue discount (but not including deferred financing fees, debt issuance costs, commissions, fees and expenses);

(3) non-cash interest expense;

(4) commissions, discounts and other fees and charges owed with respect to financings not included in clause (2) above;

(5) costs associated with Hedging Obligations (excluding amortization of fees or any non-cash interest expense attributable to the movement in mark-to-market valuation of such obligations);

(6) the product of (a) all dividends or other distributions in respect of all Disqualified Stock of the Issuer and all Preferred Stock of any Restricted Subsidiary, to the extent held by Persons other than the Issuer or a subsidiary, multiplied by (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined national, state and local statutory tax rate of such Person, expressed as a decimal, as estimated in good faith by a responsible accounting or financial officer of the Issuer;

(7) the consolidated interest expense that was capitalized during such period (excluding any interest capitalized, accrued, accreted or paid in respect of any Subordinated Shareholder Funding); and

(8) interest actually paid by the Issuer or any Restricted Subsidiary under any Guarantee of Indebtedness or other obligation of any other Person,

minus (i) accretion or accrual of discounted liabilities other than Indebtedness, (ii) any expense resulting from the discounting of any Indebtedness in connection with the application of purchase accounting in connection with any acquisition and (iii) interest with respect to Indebtedness of any Holding Company of such Person appearing upon the balance sheet of such Person solely by reason of push-down accounting under IFRS.

"*Consolidated Leverage*" means the sum of the aggregate outstanding Indebtedness of the Issuer and the Restricted Subsidiaries (excluding Hedging Obligations entered into for *bona fide* hedging purposes and not for speculative purposes (as determined in good faith by the Board of Directors or a member of Senior Management of the Issuer)) *plus* the aggregate principal amount of any outstanding Parent Senior Notes Incurred pursuant to clause (4) of the covenant described under "*—Certain covenants—Limitations on Holdco*" or clause (4) of the covenant described under "*Certain covenants—Limitation on Dutch Security Providers*".

"*Consolidated Leverage Ratio*" means, as of any date of determination, the ratio of (x) Consolidated Leverage at such date to (y) the aggregate amount of Consolidated EBITDA for the period of the four most recent fiscal quarters ending prior to the date of such determination for which internal consolidated financial statements of the Issuer are available. In the event that the Issuer or any Restricted Subsidiary Incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness subsequent to the commencement of the period for which the Consolidated Leverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Consolidated Leverage Ratio is made (the "*Calculation Date*"), then the Consolidated Leverage Ratio will be calculated giving *pro forma* effect (as determined in good faith by a responsible accounting or financial officer of the Issuer) to such Incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable reference period.

In addition, for purposes of calculating the Consolidated Leverage Ratio:

(1) acquisitions and Investments that have been made by the Issuer or any Restricted Subsidiary, including through mergers or consolidations, or any Person or any of its Subsidiaries which are Restricted Subsidiaries acquired by the Issuer or any Restricted Subsidiary, and including all related financing transactions and including increases in ownership of Subsidiaries which are Restricted Subsidiaries, during the reference period or subsequent to such reference period and on or prior to the Calculation Date, or that are to be made on the Calculation Date, will be given *pro forma* effect (as determined in good faith by a responsible accounting or financial officer of the Issuer and may include anticipated expense and cost reduction synergies) as if they had occurred on the first day of the reference period;

(2) the Consolidated EBITDA (whether positive or negative) attributable to discontinued operations, as determined in accordance with IFRS, and operations, businesses or group of assets constituting a business or operating unit (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded on a *pro forma* basis as if such disposition occurred on the first day of such period;

(3) the Consolidated Interest Expense attributable to discontinued operations, as determined in accordance with IFRS, and operations, businesses or group of assets constituting a business or operating unit (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded on a *pro forma* basis as if such disposition occurred on the first day of such period, but only to the extent that the obligations giving rise to such Consolidated Interest Expense will not be obligations of the Issuer or any Restricted Subsidiary following the Calculation Date;

(4) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such reference period;

(5) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such reference period;

(6) if any Indebtedness bears a floating rate of interest, the interest expense on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness), and if any Indebtedness is not denominated in the Issuer's functional currency, that Indebtedness for purposes of the calculation of Consolidated Leverage shall be treated in accordance with IFRS; and

(7) an adjustment in respect of the difference between: (i) the total pro forma consolidated amount received or receivable pursuant to CICE for the four quarter period as determined on the basis of CICE applicable to all relevant entities of the Group as at the end of the period, and (ii) the total amount received or receivable pursuant to CICE already included in EBITDA for that period, shall be added to Consolidated EBITDA.

"*Consolidated Net Income*" means, for any period, the net income (loss) of the Issuer and its Restricted Subsidiaries determined on a consolidated basis on the basis of IFRS; *provided, however*, that there will not be included in such Consolidated Net Income:

(1) subject to the limitations contained in clause (3) below, any net income (loss) of any Person if such Person is not a Restricted Subsidiary, except that the Issuer's equity in the net income of any such Person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents

actually distributed by such Person during such period to the Issuer or a Restricted Subsidiary as a dividend or other distribution or return on investment (subject, in the case of a dividend or other distribution or return on investment to a Restricted Subsidiary, to the limitations contained in clause (2) below); *provided* that, for the purposes of clause (c)(i) of the first paragraph of the covenant described under "*—Certain covenants—Limitation on Restricted Payments,*" such dividend, other distribution or return on investment does not reduce the amount of Investments outstanding under clause (11) of the definition of "*Permitted Investments*";

(2) solely for the purpose of determining the amount available for Restricted Payments under clauses (c)(i) and (c)(vi) of the first paragraph of the covenant described under "*—Certain covenants— Limitation on Restricted Payments*," any net income (but not loss) of any Restricted Subsidiary (other than a Guarantor) or dividends or distributions received by a Restricted Subsidiary from an Unrestricted Subsidiary if such Subsidiary is subject to restrictions on the payment of dividends or the making of distributions by such Restricted Subsidiary to the Issuer by operation of the terms of such Restricted Subsidiary's charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than (a) restrictions that have been waived or otherwise released, (b) restrictions pursuant to the Senior Secured Notes or the Indenture, (c) contractual restrictions in effect on the Issue Date with respect to a Restricted Subsidiary (including pursuant to the Revolving Credit Facility and the Intercreditor Agreement), and other restrictions with respect to such Restricted Subsidiary that, taken as a whole, are not materially less favorable to the Holders than such restrictions in effect on the Issue Date, and (d) restrictions specified in clause (11) of the second paragraph of the covenant described under "*—Certain covenants—Limitation on restrictions on distributions from Restricted Subsidiaries*," except that the Issuer's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income or dividends or distributions from an Unrestricted Subsidiary up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary during such period to the Issuer or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary, to the limitation contained in this clause);

(3) any net gain (or loss) realized upon the sale or other disposition of any asset or disposed operations of the Issuer or any Restricted Subsidiaries (including pursuant to any sale/leaseback transaction) which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by an Officer or the Board of Directors of the Issuer);

(4) any extraordinary, one-off, non-recurring, exceptional or unusual gain, loss, expense or charge, including any charges or reserves in respect of any restructuring, redundancy, relocation, refinancing, integration or severance or other post-employment arrangements, signing, retention or completion bonuses, transaction costs (including costs related to the Transactions), acquisition costs, business optimization, costs related to governmental investigations and curtailments or modifications to pension or post-retirement benefits schemes, or any asset impairment charges or the financial impacts of natural disasters (including fire, flood and storm and related events);

(5) the cumulative effect of a change in accounting principles;

(6) any non-cash compensation charge or expense arising from any grant of stock, stock options or other equity based awards, any non-cash deemed finance charges in respect of any pension liabilities or other provisions, any non-cash net after tax gains or losses attributable to the termination or modification of any employee pension benefit plan and any charge or expense relating to any payment made to holders of equity based securities or rights in respect of any dividend sharing provisions of such securities or rights to the extent such payment was made pursuant to the covenant described under "*—Certain covenants—Limitation on Restricted Payments*";

(7) all deferred financing costs written off and premiums paid or other expenses Incurred directly in connection with any early extinguishment of Indebtedness or Hedging Obligations and any net gain (loss) from any write-off or forgiveness of Indebtedness;

(8) any unrealized gains or losses in respect of Hedging Obligations or other financial instruments or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value or changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations;

(9) any unrealized foreign currency transaction gains or losses in respect of Indebtedness or other obligations of the Issuer or any Restricted Subsidiary denominated in a currency other than the functional currency of such Person and any unrealized foreign exchange gains or losses resulting from remeasuring assets and liabilities denominated in foreign currencies;

(10) any unrealized foreign currency translation or transaction gains or losses in respect of Indebtedness or other obligations of the Issuer or any Restricted Subsidiary owing to the Issuer or any Restricted Subsidiary;

(11) any one-time non-cash charges or any amortization or depreciation resulting from purchase accounting, in each case to the extent related to any acquisition of another Person or business or resulting from any reorganization or restructuring involving the Issuer or its Subsidiaries;

(12) any goodwill or other intangible asset impairment charge or write-off or write-down; and

(13) the impact of capitalized, accrued or accreting or pay-in-kind interest or principal on Subordinated Shareholder Funding.

"*Consolidated Senior Secured Leverage*" means the sum of the aggregate outstanding Senior Secured Indebtedness of the Issuer and its Restricted Subsidiaries (excluding Hedging Obligations entered into for bona fide hedging purposes and not for speculative purposes (as determined in good faith by an Officer or the Board of Directors of the Issuer)) *plus* the aggregate principal amount of any outstanding Parent Senior Notes Incurred pursuant to clause (4) of the covenant described under "*—Certain covenants—Limitations on Holdco*" or clause (4) of the covenant described under "*Certain covenants—Limitation on Dutch Security Providers*," in either case that is secured by a Lien on (a) the Collateral (excluding Indebtedness to the extent secured on a junior priority basis) or (b) assets or property of the Issuer or a Guarantor that do not constitute Collateral.

"*Consolidated Senior Secured Leverage Ratio*" means, as of any date of determination, the ratio of (x) the Consolidated Senior Secured Leverage at such date to (y) the aggregate amount of Consolidated EBITDA for the period of the four most recent fiscal quarters ending prior to the date of such determination for which internal consolidated financial statements of the Issuer are available, in each case calculated with such pro forma and other adjustments as are consistent with the *pro forma* provisions set forth in the definition of Consolidated Leverage Ratio; *provided*, *however*, that the *pro forma* calculation shall not give effect to (i) any Indebtedness Incurred on the Calculation Date pursuant to the provisions described in the second paragraph under "*—Certain covenants—Limitation on Indebtedness*" (other than for the purposes of the calculation of the Consolidated Senior Secured Leverage Ratio under clause (5) thereunder) or (ii) the discharge on the Calculation Date of any Indebtedness to the extent that such discharge results from the proceeds Incurred pursuant to the provisions described in the second paragraph under "*—Certain covenants—Limitation on Indebtedness.*"

"*Contemplated ACR Acquisition*" means the potential purchase of substantially all of the outstanding equity interests of the Target by the Additional Guarantor pursuant to the ACR Acquisition Agreement.

"*Contingent Obligations*" means, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any operating lease, dividend or other obligation that does not constitute Indebtedness ("*primary obligations*") of any other Person (the "*primary obligor*"), including any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds:

(a) for the purchase or payment of any such primary obligation; or

(b) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"*Credit Facility*" means, with respect to the Issuer or any of its Subsidiaries, one or more debt facilities, arrangements, instruments or indentures (including the Revolving Credit Facility or commercial paper facilities and overdraft facilities) with banks, institutions or investors providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), notes, letters of credit or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or other banks, institutions or investors and whether provided under the original Revolving Credit Facility or one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any Notes Guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other Guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term "Credit Facility" shall include any agreement or instrument (1) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (2) adding Subsidiaries of the Issuer as additional borrowers or guarantors thereunder, (3) increasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (4) otherwise altering the terms and conditions thereof.

"*Currency Agreement*" means, in respect of a Person, any foreign exchange contract, currency swap agreement, currency futures contract, currency option contract, currency derivative or other similar agreement to which such Person is a party or beneficiary.

"*Default*" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"*Designated Non-Cash Consideration*" means the fair market value (as determined in good faith by the Board of Directors or a member of Senior Management of the Issuer) of non-cash consideration received by the Issuer or one of its Restricted Subsidiaries in connection with an Asset Disposition that is so designated as Designated Non-Cash Consideration pursuant to an Officer's Certificate, setting forth the basis of such valuation, less the amount of cash, Cash Equivalents or Temporary Cash Investments received in connection with a subsequent payment, redemption, retirement, sale or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with the covenant described under "*—Certain covenants—Limitation on sales of assets and Subsidiary stock*."

"*Designated Preference Shares*" means, with respect to the Issuer or any Parent, Preferred Stock (other than Disqualified Stock) (a) that is issued for cash (other than to the Issuer or a Subsidiary of the Issuer or an employee stock ownership plan or trust established by the Issuer or any such Subsidiary for the benefit of their employees to the extent funded by the Issuer or such Subsidiary) and (b) that is designated as "Designated Preference Shares" pursuant to an Officer's Certificate of the Issuer at or prior to the issuance thereof, the Net Cash Proceeds of which are excluded from the calculation set forth in clause (c)(ii) and (c)(iii) of the second paragraph of the covenant described under "*—Certain covenants—Limitation on Restricted Payments*."

"*Disqualified Stock*" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, in each case on or prior to the date that is 90 days after the earlier of (a) the Stated Maturity of the Senior Secured Notes or (b) the date on which there are no Senior Secured Notes outstanding. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the issuer thereof to repurchase such Capital Stock upon the occurrence of a Change of Control or an Asset Disposition will not constitute Disqualified Stock if the terms of such Capital Stock provide that the issuer thereof may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant described under the caption "*—Certain covenants—Restricted Payments*." For purposes hereof, the amount of Disqualified Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the fair market value of such Disqualified Stock, such fair market value to be determined as set forth herein. Only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock.

"*Equity Offering*" means (x) a sale of Capital Stock of the Issuer (other than Disqualified Stock and other than offerings registered on Form S-8 (or any successor form) under the Securities Act or any similar offering in other jurisdictions), or (y) the sale of Capital Stock or other securities by any Person, the proceeds of which are contributed as Subordinated Shareholder Funding or to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through Excluded Contributions) of the Issuer or any Restricted Subsidiary.

"*Escrowed Proceeds*" means the proceeds from the offering of any debt securities or other Indebtedness paid into escrow accounts with an independent escrow agent on the date of the applicable offering or incurrence pursuant to escrow arrangements that permit the release of amounts on deposit in such escrow accounts upon satisfaction of certain conditions or the occurrence of certain events. The term "Escrowed Proceeds" shall include any interest earned on the amounts held in escrow.

"*Euroclear*" means Euroclear Bank SA/NV or any successor securities clearing agency.

"*European Government Obligations*" means any security that is (1) a direct obligation of any country that is a member of the European Monetary Union and whose long-term debt is rated "A-1" or higher by Moody's or "A+" or higher by S&P or the equivalent rating category of another Nationally Recognized Statistical Rating Organization on the date of the Indenture, for the payment of which the full faith and credit of such country is pledged or (2) an obligation of a person controlled or supervised by and acting as an agency or instrumentality of any such country the payment of which is unconditionally Guaranteed as a full faith and credit obligation by such country, which, in either case under the preceding clause (1) or (2), is not callable or redeemable at the option of the issuer thereof.

"*Exchange Act*" means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"*Excluded Contribution*" means Net Cash Proceeds or property or assets (other than Excluded Amounts) received by the Issuer as capital contributions to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Issuer after the Issue Date or from the issuance or sale (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of its employees to the extent funded by the Issuer or any Restricted Subsidiary) of Capital Stock (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding of the Issuer, in each case, to the extent designated as an Excluded Contribution pursuant to an Officer's Certificate of the Issuer.

"*Existing ACR Indebtedness*" means Indebtedness and Capitalized Lease Obligations incurred by the Target and outstanding on the Completion Date.

"*fair market value*" wherever such term is used in this "Description of the Senior Secured Notes" or the Indenture (except in relation to an enforcement action pursuant to the Intercreditor

Agreement and except as otherwise specifically provided in this "*Description of the Senior Secured Notes*" or the Indenture), may be conclusively established by means of an Officer's Certificate or a resolution of the Board of Directors of the Issuer setting out such fair market value as determined by such Officer or such Board of Directors in good faith.

"*Fixed Charge Coverage Ratio*" means, as of any date of determination, the ratio of (x) the aggregate amount of Consolidated EBITDA of such Person for the period of the four most recent fiscal quarters prior to the date of such determination for which internal consolidated financial statements are available to (y) the Fixed Charges of such Person for such four fiscal quarters.

In the event that the specified Person or any Restricted Subsidiary Incurs, assumes, guarantees, repays, repurchases, redeems, defeases, retires, extinguishes or otherwise discharges any Indebtedness (other than Indebtedness Incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) or issues, repurchases or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "*Calculation Date*"), then the Fixed Charge Coverage Ratio will be calculated giving *pro forma* effect (as determined in good faith by a responsible accounting or financial officer of such Person), including in respect of anticipated expense and cost reductions and synergies, to such Incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance, retirement, extinguishment or other discharge of Indebtedness, or such issuance, repurchase or redemption of Disqualified Stock or Preferred Stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period; *provided*, *however*, that the *pro forma* calculation of Fixed Charges shall not give effect to (i) any Indebtedness Incurred on the Calculation Date pursuant to the provisions described in the second paragraph of the covenant described under "*—Certain covenants—Limitation on Indebtedness*" (other than for the purposes of the calculation of the Fixed Charge Coverage Ratio under clause (5) thereunder) or (ii) the discharge on the Calculation Date of any Indebtedness to the extent that such discharge results from the proceeds Incurred pursuant to the provisions described in the second paragraph of the covenant described under "*—Certain covenants—Limitation on Indebtedness*."

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

(1) acquisitions and Investments that have been made by the Issuer or any Restricted Subsidiary, including through mergers or consolidations, or any Person or any of its Subsidiaries which are Restricted Subsidiaries acquired by the Issuer or any Restricted Subsidiary, and including all related financing transactions and including increases in ownership of Subsidiaries which are Restricted Subsidiaries, during the reference period or subsequent to such reference period and on or prior to the Calculation Date, or that are to be made on the Calculation Date, will be given *pro forma* effect (as determined in good faith by a responsible accounting or financial officer of the Issuer and may include anticipated expense and cost reduction synergies) as if they had occurred on the first day of the reference period;

(2) the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded;

(3) the Fixed Charges attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the specified Person or any Restricted Subsidiary following the Calculation Date;

(4) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period;

(5) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period;

(6) if any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest expense on such Indebtedness will be calculated as if the rate in

effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Indebtedness if such Hedging Obligation has a remaining term as at the Calculation Date in excess of 12 months, or, if shorter, at least equal to the remaining term of such Indebtedness);

(7) Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Issuer to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with IFRS; and

(8) the Fixed Charges of an issuer of Parent Senior Notes that is attributable to Parent Senior Notes Incurred pursuant to clause (4) of the covenant described under "—*Certain covenants—Limitations on Holdco*" and any Parent Senior Notes Incurred pursuant to clause (4) of the covenant described under "*Certain covenants—Limitation on Dutch Security Providers*" shall be added to the Fixed Charges of the Issuer when calculating the Fixed Charge Coverage Ratio of the Issuer and its Restricted Subsidiaries for any purpose under the Indenture.

"*Fixed Charges*" means, with respect to any specified Person for any period, the sum, without duplication, of:

(1) the Consolidated Interest Expense of such Person for such period; plus

(2) all dividends, whether paid or accrued and whether or not in cash, on or in respect of all Disqualified Stock of the Issuer or any series of Preferred Stock of any Restricted Subsidiary and other than dividends on Equity Interests payable to the Issuer or a Restricted Subsidiary.

"*Guarantee*" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person, including any such obligation, direct or indirect, contingent or otherwise, of such Person:

(1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep- well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or

(2) entered into primarily for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part), *provided*, *however*, that the term "Guarantee" will not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"*Guarantors*" means Holdco and, upon the Additional Guarantor Accession Date, the Additional Guarantor, and any additional Guarantor that executes a supplemental indenture in accordance with the provisions of the Indenture, and their respective successors and assigns, in each case, until the Notes Guarantee of such Person has been released in accordance with the provisions of the Indenture.

"*Hedging Obligations*" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Currency Agreement or Commodity Hedging Agreement.

"*Holder*" means each Person in whose name the Senior Secured Notes are registered on the Registrar's books, which shall initially be the respective nominee of Euroclear or Clearstream, as applicable.

"*Holding Company*" means, in relation to any Person, any other Person in respect of which it is a Subsidiary.

"*IFRS*" means International Financial Reporting Standards (formerly International Accounting Standards) endorsed by the European Union or any variation thereof with which Holdco, the Issuer or its Restricted Subsidiaries are required to comply as in effect on the Issue Date, or with respect to the covenant described under the heading "—*Certain covenants—Reports*", as in effect from time to time.

"*Incur*" means issue, create, assume, enter into any Guarantee of, incur or otherwise become liable for; *provided*, *however*, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and the terms "*Incurred*" and "*Incurrence*" have meanings correlative to the foregoing and any Indebtedness pursuant to any revolving credit or similar facility shall only be "*Incurred*" at the time any funds are borrowed thereunder.

"*Indebtedness*" means, with respect to any Person on any date of determination (without duplication):

(1) the principal of indebtedness of such Person for borrowed money;

(2) the principal of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) all reimbursement obligations of such Person in respect of letters of credit, bankers' acceptances or other similar instruments (the amount of such obligations being equal at any time to the aggregate then undrawn and unexpired amount of such letters of credit or other instruments plus the aggregate amount of drawings thereunder that have been reimbursed) (except to the extent such reimbursement obligations relate to trade payables or other obligations not constituting Indebtedness and such obligations are satisfied within 30 days of Incurrence);

(4) the principal component of all obligations of such Person to pay the deferred and unpaid purchase price of property (except trade payables), where the deferred payment is arranged primarily as a means of raising finance, which purchase price is due more than one year after the date of placing such property in service or taking final delivery and title thereto;

(5) Capitalized Lease Obligations of such Person;

(6) the principal component of all obligations, or liquidation preference, of such Person with respect to any Disqualified Stock or, with respect to any Restricted Subsidiary, any Preferred Stock (but excluding, in each case, any accrued dividends);

(7) the principal component of all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided*, *however*, that the amount of such Indebtedness will be the lesser of (a) the fair market value of such asset at such date of determination (as determined in good faith by the Board of Directors or a member of Senior Management of the Issuer) and (b) the amount of such Indebtedness of such other Persons;

(8) Guarantees by such Person of the principal component of Indebtedness of other Persons to the extent Guaranteed by such Person; and

(9) to the extent not otherwise included in this definition, net obligations of such Person under Currency Agreements, Interest Rate Agreements and Commodity Hedging Agreements (the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time).

The term "Indebtedness" shall not include (i) Subordinated Shareholder Funding, (ii) any lease, concession or license of property (or Guarantee thereof) which would be considered an operating lease under IFRS as in effect on the Issue Date, (iii) prepayments of deposits received from clients or customers in the ordinary course of business or (iv) obligations under any license, permit or other approval (or Guarantees given in respect of such obligations) Incurred prior to the Issue Date or in the ordinary course of business.

The amount of Indebtedness of any Person at any time in the case of a revolving credit or similar facility shall be the total amounts of funds borrowed and then outstanding. The amount of Indebtedness of any Person at any date shall be determined as set forth above or otherwise provided in the Indenture, and (other than with respect to letters of credit or Guarantees or Indebtedness specified in clause (7), (8) or (9) above) shall equal the amount thereof that would appear on a balance sheet of such Person (excluding any notes thereto) prepared on the basis of IFRS.

Notwithstanding the above provisions, in no event shall the following constitute Indebtedness:

(1) Contingent Obligations Incurred in the ordinary course of business, obligations under or in respect of Qualified Receivables Financings and accrued liabilities Incurred in the ordinary course of business that are not more than 90 days past due;

(2) in connection with the purchase by the Issuer or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided, however,* that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter; or

(3) for the avoidance of doubt, any obligations in respect of early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes or under any Tax Sharing Agreement.

"*Independent Financial Advisor*" means an investment banking or accounting firm of international standing or any third party appraiser of international standing; *provided, however*, that such firm or appraiser is not an Affiliate of the Issuer.

"*Initial Investors*" means any funds or limited partnerships managed or advised by TowerBrook Capital Partners L.P. or any of its Affiliates or direct or indirect Subsidiaries or any trust, fund, company or partnership owned, managed or advised by TowerBrook Capital Partners L.P. or any of its Affiliates or direct or indirect Subsidiaries or any entity controlled by all or substantially all of the managing directors of such fund or TowerBrook Capital Partners L.P. from time to time.

"*Initial Public Offering*" means an Equity Offering of common stock or other common equity interests of the Issuer or any Parent or any successor of the Issuer or any Parent (the "*IPO Entity*") following which there is a Public Market and, as a result of which, the shares of common stock or other common equity interests of the IPO Entity in such offering are listed on an internationally recognized exchange or traded on an internationally recognized market.

"*Intercreditor Agreement*" means the Intercreditor Agreement dated on or about the date of pricing of the Offering, by and among, *inter alios*, the Issuer, Holdco, the Security Agent and the Trustee, as amended from time to time.

"*Interest Rate Agreement*" means, with respect to any Person, any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement to which such Person is party or a beneficiary.

"*Investment*" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any advance, loan or other extensions of credit (other than advances or extensions of credit to customers, suppliers, directors, officers or employees of any Person in the ordinary course of business, and excluding any debt or extension of credit represented by a bank deposit other than a time deposit) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or the Incurrence of a Guarantee of any obligation of, or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by, such other Persons and all other items that are or would be classified as investments on a balance sheet (excluding any notes thereto) prepared on the basis of IFRS; *provided, however,* that endorsements of negotiable instruments and documents in the ordinary course of business will not be deemed to be an Investment. If the Issuer or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the Issuer or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment equal to the fair market value of the Capital Stock of such Subsidiary not sold or disposed of in an amount determined as provided in the final paragraph of the covenant described under the caption "*—Certain covenants—Limitation on Restricted Payments.*"

For purposes of "*—Certain covenants—Limitation on Restricted Payments*":

(1) "Investment" will include the portion (proportionate to the Issuer's equity interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the fair market value of the net assets of such Restricted Subsidiary of the Issuer at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; and

(2) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Board of Directors or a member of Senior Management of the Issuer.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at the Issuer's option) by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment.

"*Investment Grade Securities*" means:

(1) securities issued or directly and fully Guaranteed or insured by the United States or Canadian government or any agency or instrumentality thereof (other than Cash Equivalents);

(2) securities issued or directly and fully guaranteed or insured by a member of the Pre-Expansion European Union (other than Greece, Portugal or Spain), Switzerland or Norway or any agency or instrumentality thereof (other than Cash Equivalents);

(3) debt securities or debt instruments with a rating of "BBB-" or higher from S&P or "Baa3" or higher by Moody's or the equivalent of such rating by such rating organization or, if no rating of Moody's or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization, but excluding any debt securities or instruments constituting loans or advances among the Issuer and its Subsidiaries; and

(4) investments in any fund that invests exclusively in investments of the type described in clauses (1), (2) and (3) above which fund may also hold cash and Cash Equivalents pending investment or distribution.

"*Investment Grade Status*" shall occur when all of the Senior Secured Notes receive both of the following:

(1) a rating of "BBB-" or higher from S&P; and

(2) a rating of "Baa3" or higher from Moody's or the equivalent of such rating by either such rating organization or, if no rating of Moody's or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization.

"*IPO Market Capitalization*" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity at the time of closing of the Initial Public Offering multiplied by (ii) the price per share at which such shares of common stock or common equity interests are sold in such Initial Public Offering.

"*Issue Date*" means , 2014.

"*Issuer*" means Autodis S.A.

"*Lien*" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"*Management Advances*" means loans or advances made to, or Guarantees with respect to loans or advances made to, directors, officers, employees or consultants of any Parent, the Issuer or any Restricted Subsidiary:

(1) in respect of travel, entertainment or moving related expenses Incurred in the ordinary course of business;

(2) in respect of moving related expenses Incurred in connection with any closing or consolidation of any facility or office; or

(3) (in the case of this clause (3)) not exceeding €2.0 million in the aggregate outstanding at any time.

"*Management Investors*" means (i) members of the management team of the Issuer, Holdco or any Restricted Subsidiary investing, or committing to invest, directly or indirectly, in the Issuer as at the Issue Date and any subsequent members of the management team of the Issuer or any Restricted Subsidiary who invest directly or indirectly in the Issuer from time to time and (ii) such entity as may hold shares transferred by departing members of the management team of the Issuer or any Restricted Subsidiary for future redistribution to such management team.

"*ManCo*" means any investment vehicle whose shareholders are managers and/or employees of the Issuer, Holdco or any Restricted Subsidiary and/or are managers and/or employees of a target of any acquisition of a target company or a business authorized pursuant to the Indenture and whose only corporate purpose is to hold an interest in the Issuer, whether in the form of shares, warrants or investor debt.

"*Market Capitalization*" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity on the date of the declaration of the relevant dividend multiplied by (ii) the arithmetic mean of the closing prices per share of such common stock or common equity interests for the 30 consecutive trading days immediately preceding the date of declaration of such dividend.

"*Moody's*" means Moody's Investors Service, Inc. or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"*Nationally Recognized Statistical Rating Organization*" means a nationally recognized statistical rating organization within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act.

"*Net Available Cash*" from an Asset Disposition means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and net proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

(1) all legal, accounting, investment banking, title and recording tax expenses, commissions and other fees and expenses Incurred, and all Taxes paid or required to be paid or accrued as a liability under IFRS (after taking into account any available tax credits or deductions and any Tax Sharing Agreements), as a consequence of such Asset Disposition;

(2) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition (other than Capitalized Lease Obligations), in accordance with the terms of any Lien upon such assets, or which must by its terms, or in order to obtain a necessary consent to such Asset Disposition, or by applicable law, be repaid out of the proceeds from such Asset Disposition;

(3) all distributions and other payments required to be made to minority interest holders (other than any Parent, the Issuer or any of their respective Subsidiaries) in Subsidiaries or joint ventures as a result of such Asset Disposition; and

(4) the deduction of appropriate amounts required to be provided by the seller as a reserve, on the basis of IFRS, against any liabilities associated with the assets disposed of in such Asset Disposition and retained by the Issuer or any Restricted Subsidiary after such Asset Disposition.

"*Net Cash Proceeds*," with respect to any issuance or sale of Capital Stock or Subordinated Shareholder Funding, means the cash proceeds of such issuance or sale net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually Incurred in connection with such issuance or sale and net of Taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any Tax Sharing Agreements).

"*Offering Memorandum*" means this offering memorandum in relation to the Senior Secured Notes.

"*Officer*" means, with respect to any Person, (1) any member of the Board of Directors, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer or the Secretary (a) of such Person or (b) if such Person is owned or managed by a single entity, of such entity, or (2) any other individual designated as an "Officer" for the purposes of the Indenture by the Board of Directors of such Person.

"*Officer's Certificate*" means, with respect to any Person, a certificate signed by one Officer of such Person.

"*Opinion of Counsel*" means a written opinion from legal counsel reasonably satisfactory to the Trustee. The counsel may be an employee of or counsel to the Issuer or its Subsidiaries.

"*Parent*" means any Person of which the Issuer at any time is or becomes a Subsidiary after the Issue Date and any holding companies established by any Permitted Holder for purposes of holding its investment in any Parent.

"*Parent Expenses*" means:

(1) costs (including all professional fees and expenses) Incurred by any Parent in connection with reporting obligations under or otherwise Incurred in connection with compliance with applicable laws, rules or regulations of any governmental, regulatory or self-regulatory body or stock exchange, the Indenture or any other agreement or instrument relating to Indebtedness of the Issuer or any Restricted Subsidiary, including in respect of any reports filed with respect to the Securities Act, Exchange Act or the respective rules and regulations promulgated thereunder;

(2) customary indemnification obligations of any Parent owing to directors, officers, employees or other Persons under its charter or by-laws or pursuant to written agreements with any such Person to the extent relating to the Issuer and its Subsidiaries;

(3) obligations of any Parent in respect of director and officer insurance (including premiums therefor) to the extent relating to the Issuer and its Subsidiaries;

(4) fees and expenses payable by any Parent in connection with the Transactions;

(5) general corporate overhead expenses, including (a) professional fees and expenses and other operational expenses of any Parent related to the ownership or operation of the business of the Issuer or any Restricted Subsidiary, (b) costs and expenses with respect to the ownership, directly or indirectly, by any Parent, (c) any Taxes and other fees and expenses required to maintain such Parent's corporate existence and to provide for other ordinary course operating costs, including customary salary, bonus and other benefits payable to, and indemnities provided on behalf of, officers and employees of such Parent and (d) to reimburse reasonable out of pocket expenses of the Board of Directors of such Parent;

(6) other fees, expenses and costs relating directly or indirectly to activities of the Issuer and its Subsidiaries or any Parent or any other Person established for purposes of or in connection with the Transactions or which holds directly or indirectly any Capital Stock or Subordinated Shareholder Funding of the Issuer, in an amount not to exceed €1.25 million in any fiscal year;

(7) any income taxes, to the extent such income taxes are attributable to the income of the Issuer and its Restricted Subsidiaries and, to the extent of the amount actually received in cash from its Unrestricted Subsidiaries, in amounts required to pay such taxes to the extent attributable to the income of such Unrestricted Subsidiaries; *provided*, *however*, that the amount of such payments in any fiscal year do not exceed the amount that the Issuer and its Subsidiaries would be required to pay in respect of such taxes on a consolidated basis on behalf of an affiliated group consisting only of the Issuer and its Subsidiaries; and

(8) expenses Incurred by any Parent in connection with any public offering or other sale of Capital Stock or Indebtedness;

    (a) where the net proceeds of such offering or sale are intended to be received by or contributed to the Issuer or a Restricted Subsidiary;

(b) in a pro-rated amount of such expenses in proportion to the amount of such net proceeds intended to be so received or contributed; or

(c) otherwise on an interim basis prior to completion of such offering so long as any Parent shall cause the amount of such expenses to be repaid to the Issuer or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed.

"*Parent Senior Notes*" means senior notes issued by a direct or indirect holding company of the Issuer (or a finance subsidiary thereof) as "Senior Unsecured Notes" under the Intercreditor Agreement or any Additional Intercreditor Agreement.

"*Pari Passu Indebtedness*" means Indebtedness of the Issuer or any Guarantor which does not constitute Subordinated Indebtedness.

"*Paying Agent*" means any Person authorized by the Issuer to pay the principal of (and premium, if any) or interest on any Note on behalf of the Issuer.

"*Permitted Business*" means (a) any businesses, services or activities engaged in by the Issuer or any Restricted Subsidiary on the Issue Date or which is contemplated by the Issuer on the Issue Date and (b) any businesses, services and activities engaged in by the Issuer or any Restricted Subsidiary that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

"*Permitted Collateral Liens*" means Liens on the Collateral:

(a) that are described in one or more of clauses (3), (4), (5), (6), (8), (9), (11), (12), (14), (18), (20), (23) and (24) of the definition of "*Permitted Liens*" and, in each case, arising by law or that would not materially interfere with the ability of the Security Agent to enforce the Security Interests in the Collateral;

(b) to secure:

(i) the Senior Secured Notes (including any Additional Senior Secured Notes);

(ii) Indebtedness permitted to be Incurred under the first paragraph of the covenant described under "*—Certain covenants—Limitation on Indebtedness*";

(iii) Indebtedness described under clause (1) of the second paragraph of the covenant described under "*—Certain covenants—Limitation on Indebtedness*", which Indebtedness may have super senior priority status in respect of the proceeds from the enforcement of the Collateral not materially less favorable to the Holders than that accorded to the Revolving Credit Facility on the Issue Date pursuant to the Intercreditor Agreement;

(iv) Indebtedness described under clause (2) of the second paragraph of the covenant described under "*—Certain covenants—Limitation on Indebtedness*," to the extent Incurred by the Issuer or a Guarantor and to the extent such Guarantee is in respect of Indebtedness otherwise permitted to be secured and specified in this definition of Permitted Collateral Liens;

(v) Indebtedness described under clause (5) of the second paragraph of the covenant described under "*—Certain covenants—Limitation on Indebtedness*" and that is incurred by the Issuer or a Guarantor;

(vi) Indebtedness described under clause (6) of the second paragraph of the covenant described under "*—Certain covenants—Limitation on Indebtedness*"; *provided* that Currency Agreements and Interest Rate Agreements entered into with respect to the Senior Secured Notes, any Indebtedness Incurred under the Revolving Credit Facility, or any Refinancing Indebtedness in respect thereof that is Incurred in compliance with the covenant described under "*—Certain covenants—Limitation on Indebtedness*" that is not subordinated in right of payment to the Senior

Secured Notes and that is permitted under the Indenture to be secured by a Permitted Collateral Lien which ranks *pari passu* with the Lien on the Collateral securing the Senior Secured Notes may have super senior priority status not materially less favorable to the Holders than that accorded to the Revolving Credit Facility on the Issue Date pursuant to the Intercreditor Agreement;

(vii) Indebtedness described under clauses (7) (other than with respect to Capitalized Lease Obligations), (11), (13) or (14) of the second paragraph of the covenant described under "*—Certain covenants—Limitation on Indebtedness*";

(viii) any Refinancing Indebtedness in respect of Indebtedness referred to in the foregoing clauses (i) to (vii);

(c) Incurred in the ordinary course of business of the Issuer or any Restricted Subsidiary with respect to obligations that in total do not exceed €5.0 million at any one time outstanding and that (i) are not Incurred in connection with the borrowing of money and (ii) do not in the aggregate materially detract from the value of the property or materially impair the use thereof or the operation of the Issuer's or such Restricted Subsidiary's business;

provided, *further*, that each of the secured parties to any such Indebtedness (acting directly or through its respective creditor representative) will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement; *provided*, *further*, that all property and assets (including, without limitation, the Collateral) securing such Indebtedness (including any guarantees thereof) or Refinancing Indebtedness secure the Senior Secured Notes and the Indenture on a senior or *pari passu* basis (including by application of payment order, turnover or equalization provisions substantially consistent with the corresponding provisions set forth in the Intercreditor Agreement or any Additional Intercreditor Agreement), except to the extent provided in clauses (iii) and (vi) above.

"*Permitted Holders*" means, collectively, (1) the Initial Investors, (2) the Management Investors, (3) any Related Person of any Persons specified in clauses (1) and (2), (4) any Person who is acting as an underwriter in connection with a public or private offering of Capital Stock of any Parent or the Issuer, acting in such capacity and (5) any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision) of which any of the foregoing (including any Persons mentioned in the following sentence) are members; *provided* that, in the case of such group and without giving effect to the existence of such group or any other group, the Initial Investors and such Persons referred to in the following sentence, collectively, have exclusive legal and beneficial ownership of more than 50% of the total voting power of the voting Stock of the Issuer or any of its direct or indirect parent companies that are wholly owned by such group. Any person or group whose acquisition of beneficial ownership constitutes (i) a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Indenture or (ii) a Change of Control that is also a Specified Change of Control Event will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

"*Permitted Investment*" means (in each case, by the Issuer or any Restricted Subsidiary):

(1) Investments in (a) a Restricted Subsidiary (including the Capital Stock of a Restricted Subsidiary) or the Issuer or (b) a Person (including the Capital Stock of any such Person) that is engaged in any Similar Business and such Person will, upon the making of such Investment, become a Restricted Subsidiary;

(2) Investments in another Person if such Person is engaged in any Similar Business and as a result of such Investment such other Person is merged, consolidated or otherwise combined with or into, or transfers or conveys all or substantially all its assets to, the Issuer or a Restricted Subsidiary;

(3) Investments in cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

(4) Investments in receivables owing to the Issuer or any Restricted Subsidiary created or acquired in the ordinary course of business, including Investments in connection with any Qualified Receivables Financing;

(5) Investments in payroll, travel, relocation, entertainment and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(6) [Reserved];

(7) Investments in Capital Stock, obligations or securities received in settlement of debts created in the ordinary course of business and owing to the Issuer or any Restricted Subsidiary, or as a result of foreclosure, perfection or enforcement of any Lien, or in satisfaction of judgments or pursuant to any plan of reorganization or similar arrangement including upon the bankruptcy or insolvency of a debtor;

(8) Investments made as a result of the receipt of non-cash consideration from a sale or other disposition of property or assets, including an Asset Disposition, in each case, that was made in compliance with "*—Certain covenants—Limitation on sales of assets and Subsidiary stock*";

(9) Investments in existence on, or made pursuant to legally binding commitments in existence on, the Issue Date, and any extension, modification or renewal of any such Investment; *provided* that the amount of the Investment may be increased (i) as required by the terms of the Investment as in existence on the Issue Date or (b) as otherwise permitted under the Indenture;

(10) Currency Agreements, Interest Rate Agreements, Commodity Hedging Agreements and related Hedging Obligations, which transactions or obligations are Incurred in compliance with "*—Certain covenants—Limitation on Indebtedness*";

(11) Investments, taken together with all other Investments made pursuant to this clause (11) and at any time outstanding, in an aggregate amount at the time of such Investment (net of any distributions, dividends, payments or other returns in respect of such Investments) not to exceed the greater of €20.0 million and 3.0% of Total Assets; *provided* that, if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described under "*—Certain covenants—Limitation on Restricted Payments*," such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) of the definition of "*Permitted Investments*" and not this clause;

(12) pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business or Liens otherwise described in the definition of "*Permitted Liens*" or made in connection with Liens permitted under the covenant described under "*—Certain covenants—Limitation on Liens*";

(13) any Investment to the extent made using Capital Stock of the Issuer (other than Disqualified Stock), Subordinated Shareholder Funding or Capital Stock of any Parent as consideration;

(14) any transaction to the extent constituting an Investment that is permitted and made in accordance with the provisions of clauses (4), (6) or (14) the second paragraph of the covenant described under "*—Certain covenants—Limitation on Affiliate Transactions*";

(15) (a) Guarantees of Indebtedness of the Issuer or its Restricted Subsidiaries permitted to be Incurred by the covenant described under "*—Certain covenants—Limitation on Indebtedness*" and (b) (other than with respect to Indebtedness) guarantees, keepwells and similar arrangements in the ordinary course of business; and

(16) Investments in loans under the Revolving Credit Facility, the Senior Secured Notes and any Additional Senior Secured Notes;

(17) any disposition of assets to a Person who is providing services related to such assets, the provision of which have been or are to be outsourced by the Issuer or any

Restricted Subsidiary to such Person; *provided, however*, that the Board of Directors shall certify that in its opinion, the outsourcing transaction will be economically beneficial to the Issuer and the Restricted Subsidiaries (considered as a whole); provided further that the fair market value of the assets disposed of, when taken together with all other dispositions made pursuant to this clause (17) does not exceed €10.0 million; and

(18) any disposition of investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements or similar binding agreements; provided that any cash or Cash Equivalents received in such disposition is applied in accordance with the covenant described under "*—Certain covenants—Limitation on sales of assets and Subsidiary stock*."

"*Permitted Liens*" means, with respect to any Person:

(1) Liens on assets or property of a Restricted Subsidiary that is not a Guarantor securing Indebtedness of (a) any Restricted Subsidiary that is not a Guarantor permitted by the covenant described under "*—Certain covenants—Limitation on Indebtedness*" or (b) the Issuer or a Guarantor; provided that such Restricted Subsidiary that is not a Guarantor is not required to Guarantee the Notes pursuant to the covenant described under "*—Certain covenants—Additional Guarantees*";

(2) pledges, deposits or Liens under workmen's compensation laws, unemployment insurance laws, social security laws or similar legislation, or insurance related obligations (including pledges or deposits securing liability to insurance carriers under insurance or self-insurance arrangements), or in connection with bids, tenders, completion guarantees, contracts (other than for borrowed money) or leases, or to secure utilities, licenses, public or statutory obligations, or to secure surety, indemnity, judgment, appeal or performance bonds, guarantees of government contracts (or other similar bonds, instruments or obligations), or as security for contested Taxes or import or customs duties or for the payment of rent, or other obligations of like nature, in each case Incurred in the ordinary course of business;

(3) Liens imposed by law, including carriers', warehousemen's, mechanics', landlords', materialmen's and repairmen's or other similar Liens, in each case for sums not yet overdue for a period of more than 60 days or that are bonded or being contested in good faith by appropriate proceedings;

(4) Liens for Taxes, assessments or other governmental charges not yet delinquent or which are being contested in good faith by appropriate proceedings; provided that appropriate reserves required pursuant to IFRS have been made in respect thereof;

(5) Liens in favor of issuers of surety, performance or other bonds, guarantees or letters of credit or bankers' acceptances (not issued to support Indebtedness for borrowed money) issued pursuant to the request of and for the account of the Issuer or any Restricted Subsidiary in the ordinary course of its business;

(6) encumbrances, ground leases, easements (including reciprocal easement agreements), survey exceptions, or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of the Issuer and its Restricted Subsidiaries or to the ownership of its properties which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of the Issuer and its Restricted Subsidiaries;

(7) Liens on assets or property of the Issuer or any Restricted Subsidiary (other than Collateral) securing Hedging Obligations permitted under the Indenture relating to Indebtedness permitted to be Incurred under the Indenture and which is secured by a Lien on the same assets or property that secures such Indebtedness;

(8) leases, licenses, subleases and sublicenses of assets (including real property and intellectual property rights), in each case entered into in the ordinary course of business;

(9) Liens arising out of judgments, decrees, orders or awards not giving rise to an Event of Default so long as any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree, order or award have not been finally terminated or the period within which such proceedings may be initiated has not expired;

(10) Liens on assets or property of the Issuer or any Restricted Subsidiary for the purpose of securing Capitalized Lease Obligations or Purchase Money Obligations, or securing the payment of all or a part of the purchase price of, or securing other Indebtedness Incurred to finance or refinance the acquisition, improvement or construction of, assets or property acquired or constructed in the ordinary course of business; provided that (a) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted to be Incurred under clause (7) of the covenant described above under "*—Certain covenants—Limitation on Indebtedness*" and (b) any such Lien may not extend to any assets or property of the Issuer or any Restricted Subsidiary other than assets or property acquired, improved, constructed or leased with the proceeds of such Indebtedness and any improvements or accessions to such assets and property;

(11) Liens arising by virtue of any statutory or common law provisions relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depositary or financial institution;

(12) Liens arising from New York Uniform Commercial Code financing statement filings (or similar filings in other applicable jurisdictions) regarding operating leases entered into by the Issuer and its Restricted Subsidiaries in the ordinary course of business;

(13) Liens existing on, or provided for or required to be granted under written agreements existing on, the Issue Date;

(14) Liens on property, other assets or shares of stock of a Person at the time such Person becomes a Restricted Subsidiary (or at the time the Issuer or a Restricted Subsidiary acquires such property, other assets or shares of stock, including any acquisition by means of a merger, consolidation or other business combination transaction with or into the Issuer or any Restricted Subsidiary); *provided*, that such Liens do not extend to any assets other than those of the Person that becomes a Restricted Subsidiary or that is merged or consolidated into the Issuer or a Restricted Subsidiary;

(15) Liens in favor of the Issuer or any Guarantor;

(16) Liens securing Refinancing Indebtedness Incurred to refinance Indebtedness that was previously so secured, and permitted to be secured under the Indenture; *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced or is in respect of property that is or could be the security for or subject to a Permitted Lien hereunder;

(17) any interest or title of a lessor under any Capitalized Lease Obligation or operating lease;

(18) (a) mortgages, liens, security interest, restrictions, encumbrances or any other matters of record that have been placed by any government, statutory or regulatory authority, developer, landlord or other third party on property over which the Issuer or any Restricted Subsidiary of the Issuer has easement rights or on any leased property and subordination or similar arrangements relating thereto and (b) any condemnation or eminent domain proceedings affecting any real property;

(19) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of, or assets owned by, any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(20) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;

(21) Liens on Receivables Assets Incurred in connection with a Qualified Receivables Financing;

(22) Liens on Escrowed Proceeds for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters or arrangers thereof) or on cash set aside at the time of the incurrence of any Indebtedness or government securities purchased with such cash, in either case to the extent such cash or government securities prefund the payment of interest on such Indebtedness and are held in escrow accounts or similar arrangement to be applied for such purpose;

(23) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities;

(24) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;

(25) Liens on Capital Stock or other securities or assets of any Unrestricted Subsidiary that secure Indebtedness of such Unrestricted Subsidiary;

(26) any security granted over the marketable securities portfolio described in clause (9) of the definition of "*Cash Equivalents*" in connection with the disposal thereof to a third party;

(27) limited recourse Liens in respect of the ownership interests in, or assets owned by, any joint ventures which are not Restricted Subsidiaries securing obligations of such joint ventures;

(28) (a) Liens created for the benefit of or to secure, directly or indirectly, the Senior Secured Notes, and (b) Liens pursuant to the Intercreditor Agreement and the security documents entered into pursuant to the Revolving Credit Facility and (c) Liens in respect of property and assets securing Indebtedness if the recovery in respect of such Liens is subject to loss-sharing as among the Holders of the Senior Secured Notes and the creditors of such Indebtedness pursuant to the Intercreditor Agreement or an Additional Intercreditor Agreement; and

(29) Liens; *provided* that the maximum amount of Indebtedness secured in the aggregate at any one time pursuant to this clause (29) does not exceed €10.0 million.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or any other entity.

"*Pre-Expansion European Union*" means the European Union as of January 1, 2004, including the countries of Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom, but not including any country which became or becomes a member of the European Union after January 1, 2004.

"*Preferred Stock*," as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"*Public Market*" means any time after:

(1) an Equity Offering has been consummated; and

(2) shares of common stock or other common equity interests of the IPO Entity having a market value in excess of €100 million on the date of such Equity Offering have been distributed pursuant to such Equity Offering.

"*Public Offering*" means any offering, including an Initial Public Offering, of shares of common stock or other common equity interests that are listed on an exchange or publicly offered (which shall include an offering pursuant to Rule 144A or Regulation S under the Securities Act to professional market investors or similar persons).

"*Purchase Money Obligations*" means any Indebtedness Incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (including Capital Stock), and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any Person owning such property or assets, or otherwise.

"*Qualified Receivables Financing*" means any transaction or series of transactions that may be entered into by the Issuer or any of its Subsidiaries pursuant to which the Issuer or any of its Subsidiaries may sell, convey or otherwise transfer to (a) a Receivables Subsidiary (in the case of a transfer by the Issuer or any of its Subsidiaries), or (b) any other Person, or may grant a security interest in, Receivables Assets, any accounts receivable (whether now existing or arising in the future) of the Issuer or any of its Subsidiaries, and any assets related thereto, including all collateral securing such accounts receivable, all contracts and all guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interest are customarily granted in connection with asset securitization transactions or invoice discounting involving accounts receivable, asset securitizations and invoice discounting facilities, and any Hedging Obligations entered into by the Issuer or any such Subsidiary in connection with such accounts receivable.

"*Qualifying IPO*" means an Initial Public Offering, if no Default or Event of Default is outstanding at the time of such Initial Public Offering (or would result from such Initial Public Offering), and upon consummation of such Initial Public Offering and the application of the proceeds therefrom, either: (a) the Consolidated Leverage Ratio of the Issuer and its Subsidiaries is less than 2.75 to 1.0 or (b) the Senior Secured Notes shall have achieved Investment Grade Status.

"*Rating Agencies*" means Moody's and S&P or, in the event Moody's or S&P no longer assigns a rating to the Senior Secured Notes, any other "nationally recognized statistical rating organization" within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the U.S. Exchange Act selected by the Issuer as a replacement agency.

"*Receivable*" means a right to receive payment arising from a sale or lease of goods or services by a Person pursuant to an arrangement with another Person pursuant to which such other Person is obligated to pay for goods or services under terms that permit the purchase of such goods and services on credit, as determined on the basis of IFRS.

"*Receivables Assets*" means any assets (including receivables pursuant to CICE) that are or will be the subject of a Qualified Receivables Financing.

"*Receivables Fees*" means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Receivables Financing.

"*Receivables Repurchase Obligation*" means any obligation of a seller of receivables in a Qualified Receivables Financing to repurchase receivables arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

"*Receivables Subsidiary*" means a Wholly Owned Subsidiary of the Issuer (or another Person formed for the purposes of engaging in a Qualified Receivables Financing with the Issuer in which the Issuer or any Subsidiary of the Issuer makes an Investment and to which the Issuer or any Subsidiary of the Issuer transfers accounts receivable and related assets) which engages in no activities other than in connection with the financing of accounts receivable of the Issuer and its Subsidiaries, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and which is designated by the Board of Directors of the Issuer (as provided below) as a Receivables Subsidiary and:

(1) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by the Issuer or any other Restricted Subsidiary of the Issuer

(excluding guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings), (ii) is subject to terms that are substantially equivalent in effect to a guarantee of any losses on securitized or sold receivables by the Issuer or any other Restricted Subsidiary of the Issuer, (iii) is recourse to or obligates the Issuer or any other Restricted Subsidiary of the Issuer in any way other than pursuant to Standard Securitization Undertakings, or (iv) subjects any property or asset of the Issuer or any other Restricted Subsidiary of the Issuer, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings;

(2) with which neither the Issuer nor any other Restricted Subsidiary of the Issuer has any contract, agreement, arrangement or understanding other than on terms which the Issuer reasonably believes to be no less favorable to the Issuer or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Issuer; and

(3) to which neither the Issuer nor any other Restricted Subsidiary of the Issuer has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results.

Any such designation by the Board of Directors of the Issuer shall be evidenced to the Trustee by filing with the Trustee a copy of the resolution of the Board of Directors of the Issuer giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing conditions.

"*refinance*" means refinance, refund, replace, renew, repay, modify, restate, defer, substitute, supplement, reissue, resell, extend or increase (including pursuant to any defeasance or discharge mechanism) and the terms "*refinances*," "*refinanced*" and "refinancing" as used for any purpose in the Indenture shall have a correlative meaning.

"*Refinancing Indebtedness*" means Indebtedness that is Incurred to refund, refinance, replace, exchange, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) any Indebtedness existing on the date of the Indenture or Incurred in compliance with the Indenture (including Indebtedness of the Issuer that refinances Indebtedness of any Restricted Subsidiary and Indebtedness of any Restricted Subsidiary that refinances Indebtedness of the Issuer or another Restricted Subsidiary), including Indebtedness that refinances Refinancing Indebtedness; *provided*, *however*, that:

(1) if the Indebtedness being refinanced constitutes Subordinated Indebtedness, the Refinancing Indebtedness has a final stated maturity at the time such Refinancing Indebtedness is Incurred that is the same as or later than the final stated maturity of the Indebtedness being refinanced or, if shorter, the first anniversary of the Stated Maturity of the Senior Secured Notes;

(2) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being refinanced (*plus*, without duplication, any additional Indebtedness Incurred to pay interest or premiums required by the instruments governing such existing Indebtedness and costs, expenses and fees Incurred in connection therewith); and

(3) if the Indebtedness being refinanced is expressly subordinated to the Senior Secured Notes, such Refinancing Indebtedness is subordinated to the Senior Secured Notes on terms at least as favorable to the Holders as those contained in the documentation governing the Indebtedness being refinanced,

provided, *however*, that Refinancing Indebtedness shall not include (i) Indebtedness of the Issuer or a Restricted Subsidiary that refinances Indebtedness of an Unrestricted Subsidiary or (ii) Indebtedness of a Restricted Subsidiary that is not a Guarantor that refinances Indebtedness of the Issuer or a Guarantor.

Refinancing Indebtedness in respect of any Credit Facility or any other Indebtedness may be Incurred from time to time after the termination, discharge or repayment of any such Credit Facility or other Indebtedness.

"*Related Person*" with respect to any Permitted Holder, means:

(1) any controlling equity holder, majority (or more) owned Subsidiary or partner or member of such Person;

(2) in the case of an individual, any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individual and any such spouse, family member or relative, or the estate, executor, administrator, committee or beneficiaries of any thereof;

(3) any trust, corporation, partnership or other Person for which one or more of the Permitted Holders and other Related Persons of any thereof constitute the beneficiaries, stockholders, partners or owners thereof, or Persons beneficially holding in the aggregate a majority (or more) controlling interest therein; or

(4) any investment fund or vehicle managed, sponsored or advised by such Person or any successor thereto, or by any Affiliate of such Person or any such successor.

"*Related Taxes*" means any Taxes, including sales, use, transfer, rental, ad valorem, value added, stamp, property, consumption, franchise, license, capital, registration, business, customs, net worth, gross receipts, excise, occupancy, intangibles or similar Taxes (other than (x) Taxes measured by income and (y) withholding imposed on payments made by any Parent), required to be paid (*provided* such Taxes are in fact paid) by any Parent by virtue of its:

(a) being incorporated or otherwise being established or having Capital Stock outstanding (but not by virtue of owning stock or other equity interests of any corporation or other entity other than, directly or indirectly, the Issuer or any of the Issuer's Subsidiaries);

(b) issuing or holding Subordinated Shareholder Funding;

(c) being a holding company parent, directly or indirectly, of the Issuer or any of the Issuer's Subsidiaries;

(d) receiving dividends from or other distributions in respect of the Capital Stock of, directly or indirectly, the Issuer or any of the Issuer's Subsidiaries; or

(e) having made any payment with respect to any of the items for which the Issuer is permitted to make payments to any Parent pursuant to "*—Certain covenants—Limitation on Restricted Payments*."

"*Replacement Assets*" means non-current properties and assets that replace the properties and assets that were the subject of an Asset Disposition or non-current properties and assets that will be used in the Issuer's business or in that of the Restricted Subsidiaries as of the Issue Date or any and all other businesses that in the good faith judgment of the Board of Directors or any member of Senior Management of the Issuer are related thereto.

"*Representative*" means any trustee, agent or representative (if any) for an issue of Indebtedness or the provider of Indebtedness (if provided on a bilateral basis), as the case may be.

"*Restricted Investment*" means any Investment other than a Permitted Investment.

"*Restricted Subsidiary*" means any Subsidiary of the Issuer other than an Unrestricted Subsidiary.

"*Revolving Credit Facility*" means the €20.0 million senior secured revolving credit facility established pursuant to the super senior revolving facility agreement that is expected to be dated on or about the Issue Date, by and among, inter alios, the Issuer, the Guarantors, J.P. Morgan Limited, as mandated lead arranger, the senior lenders (as named therein), J.P. Morgan Europe Limited, as agent and U.S. Bank Trustees Limited as security agent, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time.

"*S&P*" means Standard & Poor's Investors Ratings Services or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"*SEC*" means the U.S. Securities and Exchange Commission.

"*Securities Act*" means the U.S. Securities Act of 1933, as amended and the rules and regulations of the SEC promulgated thereunder, as amended.

"*Security Documents*" means the security agreements, pledge agreements, collateral assignments, and any other instrument and document executed and delivered pursuant to the Indenture or otherwise or any of the foregoing, as the same may be amended, supplemented or otherwise modified from time to time, creating the security interests in the Collateral as contemplated by the Indenture.

"*Senior Management*" means the officers, directors, and other members of senior management of the Issuer, Holdco, Dutchco, Top Dutchco or any of Top Dutchco's Subsidiaries, who at any date beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Issuer or any Parent.

"*Senior Secured Indebtedness*" means, with respect to any Person as of any date of determination, any Indebtedness for borrowed money that (a) is secured by a Lien on the Collateral (excluding Indebtedness to the extent secured on a junior priority basis), (b) is secured by a Lien on assets or property of the Issuer or a Guarantor that do not constitute Collateral or (c) is Incurred by a Restricted Subsidiary that is not a Guarantor and that in the case of each of (a), (b) and (c), is Incurred under the first paragraph of the covenant described under "*—Certain covenants—Limitation on Indebtedness*" or clauses (1), (4)(a), (4)(b), (5), (7), (11) or (13) of the second paragraph of the covenant described under "*—Certain covenants—Limitation on Indebtedness*") and any Refinancing Indebtedness in respect thereof.

"*Senior Secured Notes Documents*" means the Senior Secured Notes (including Additional Senior Secured Notes), the Indenture, the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreements.

"*Significant Subsidiary*" means any Restricted Subsidiary that meets any of the following conditions:

(1) the Issuer's and its Restricted Subsidiaries' investments in and advances to the Restricted Subsidiary exceed 10% of the total assets of the Issuer and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year;

(2) the Issuer's and its Restricted Subsidiaries' proportionate share of the total assets (after intercompany eliminations) of the Restricted Subsidiary exceeds 10% of the total assets of the Issuer and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year; or

(3) the Issuer's and its Restricted Subsidiaries' proportionate share of the Consolidated EBITDA of the Restricted Subsidiary exceeds 10% of the Consolidated EBITDA of the Issuer and its Restricted Subsidiaries on a consolidated basis for the most recently completed fiscal year.

"*Similar Business*" means (a) any businesses, services or activities engaged in by the Issuer or any of its Subsidiaries or any Associates (including the Target and its Subsidiaries) on the Completion Date and (b) any businesses, services and activities that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

"*Specified Change of Control Event*" means the occurrence of any event that would constitute a Change of Control pursuant to the definition thereof; *provided* that giving *pro forma* effect thereto, the Consolidated Leverage Ratio of the Issuer and the Restricted Subsidiaries would have been less than (x) 3.75 to 1.0, if the date of such occurrence is prior to the twenty-four-month anniversary of the Issue Date; or (y) 3.5 to 1.0, if the date of such occurrence is on or after the two year anniversary of the Issue Date. Notwithstanding the foregoing, only on Specified Change of Control Event shall be deemed to be an exception to the definition of Change of Control after the Issue Date.

"*Standard Securitization Undertakings*" means representations, warranties, covenants, indemnities and guarantees of performance entered into by the Issuer or any Subsidiary of the Issuer which are reasonably customary in securitization of Receivables transactions.

"*Stated Maturity*" means, with respect to any security, the date specified in such security as the fixed date on which the payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision, but shall not include any contingent obligations, including those described in "*—Change of Control*" and the covenant under "*—Certain covenants—Limitation on sales of assets and Subsidiary stock*", to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

"*Subordinated Indebtedness*" means with respect to any person, any Indebtedness (whether outstanding on the Issue Date or thereafter Incurred) which is expressly subordinated in right of payment to the Senior Secured Notes or any Guarantee of the Senior Secured Notes pursuant to a written agreement, including any Subordinated Shareholder Funding.

"*Subordinated Shareholder Funding*" means, collectively, any funds provided to the Issuer, Holdco or Dutchco, in each case by its respective direct Parent, in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, in each case issued to and held by any of the foregoing Persons, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Funding; *provided*, *however*, that such Subordinated Shareholder Funding:

(1) does not mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to the first anniversary of the Stated Maturity of the Senior Secured Notes (other than through conversion or exchange of such funding into Capital Stock (other than Disqualified Stock) of the Issuer or any funding meeting the requirements of this definition) or the making of any such payment prior to the first anniversary of the Stated Maturity of the Senior Secured Notes is restricted by the Intercreditor Agreement, an Additional Intercreditor Agreement or another intercreditor agreement;

(2) does not require, prior to the first anniversary of the Stated Maturity of the Senior Secured Notes, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts or the making of any such payment prior to the first anniversary of the Stated Maturity of the Senior Secured Notes is restricted by the Intercreditor Agreement or an Additional Intercreditor Agreement;

(3) contains no change of control, asset sale or similar provisions and does not accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment, in each case, prior to the first anniversary of the Stated Maturity of the Senior Secured Notes or the payment of any amount as a result of any such action or provision or the exercise of any rights or enforcement action, in each case, prior to the first anniversary of the Stated Maturity of the Senior Secured Notes is restricted by the Intercreditor Agreement or an Additional Intercreditor Agreement;

(4) has been granted as security for the Senior Secured Notes by the oblige thereunder;

(5) does not provide for or require any security interest or encumbrance over any asset of the Issuer or any of its Subsidiaries; and

(6) pursuant to its terms or to the Intercreditor Agreement, an Additional Intercreditor Agreement or another intercreditor agreement, is fully subordinated and junior in right of payment to the Senior Secured Notes pursuant to subordination, payment blockage and enforcement limitation terms which are customary in all material respects for similar funding or are no less favorable in any material respect to Holders than those contained in the Intercreditor Agreement as in effect on the Issue Date with respect to the "Shareholder Liabilities" (as defined therein),

provided, however, that any event or circumstance that results in such Indebtedness ceasing to qualify as Subordinated Shareholder Funding, such Indebtedness shall constitute an incurrence of such Indebtedness by the Issuer as of the date of such event or circumstance, and any and all Restricted Payments made through the use of the net proceeds from the incurrence of such Indebtedness since the date of the original issuances of such Subordinated Shareholder Funding shall constitute new Restricted Payments that are deemed to have been made after the date of the original issuance of such Subordinated Shareholder Funding.

"*Subsidiary*" means, with respect to any Person:

(1) any corporation, association, or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; or

(2) any partnership, joint venture, limited liability company or similar entity of which:

(a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership interests or otherwise; and

(b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"*Subsidiary Guarantor*" means any Guarantor that is a Subsidiary of the Issuer.

"*Target*" means ACR Holding S.A.S., a private limited liability company (société par actions simplifée) organized and existing under the laws of France with registered number 523 102 762 RCS Nanterre, having its registered office at Route du Môle, 2-3, 92230 Gennevilliers, France.

"*Tax Sharing Agreement*" means any tax sharing or profit and loss pooling or similar agreement with customary or arm's-length terms entered into with any Parent or Unrestricted Subsidiary, as the same may be amended, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof and of the Indenture, and any arrangements or transactions made between the Issuer and/or any of its Subsidiaries and any Parent in order to satisfy the obligations arising under any such Tax Sharing Agreement (including, for the avoidance of doubt, distributions for purposes of compensating accounting losses in relation to a profit and loss pooling agreement and/or upstream loans to any Parent to enable a Parent to compensate the Issuer or such Subsidiary for losses incurred which may need to be compensated by a Parent under any profit and loss pooling agreement).

"*Taxes*" means all present and future taxes, levies, imposts, deductions, charges, duties and withholdings and any charges of a similar nature (including interest and penalties with respect thereto) that are imposed by any government or other taxing authority.

"*Temporary Cash Investments*" means any of the following:

(1) any investment in:

(a) direct obligations of, or obligations Guaranteed by, (i) the United States of America or Canada, (ii) any member state of the Pre-Expansion European Union (other than Greece, Portugal or Spain), (iii) Switzerland or Norway, (iv) any country in whose currency funds are being held specifically pending application in the making of an investment or capital expenditure by the Issuer or a Restricted Subsidiary in that country with such funds or (v) any agency or instrumentality of any such country or member state; or

(b) direct obligations of any country recognized by the United States of America rated at least "A" by S&P or "A-1" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(2) overnight bank deposits, and investments in time deposit accounts, certificates of deposit, bankers' acceptances and money market deposits (or, with respect to foreign banks, similar instruments) maturing not more than one year after the date of acquisition thereof issued by:

(c) any lender under the Revolving Credit Facility;

(d) any institution authorized to operate as a bank in any of the countries or member states referred to in subclause (1)(a) above; or

(e) any bank or trust company organized under the laws of any such country or member state or any political subdivision thereof,

in each case, having capital and surplus aggregating in excess of €250 million (or the foreign currency equivalent thereof) and whose long-term debt is rated at least "A" by S&P or "A-2" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) or (2) above entered into with a Person meeting the qualifications described in clause (2) above;

(4) Investments in commercial paper, maturing not more than 270 days after the date of acquisition, issued by a Person (other than the Issuer or any of its Subsidiaries), with a rating at the time as of which any Investment therein is made of "P-2" (or higher) according to Moody's or "A-2" (or higher) according to S&P (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(5) Investments in securities maturing not more than one year after the date of acquisition issued or fully Guaranteed by any state, commonwealth or territory of the United States of America, Canada, any European Union member state or Switzerland, Norway or by any political subdivision or taxing authority of any such state, commonwealth, territory, country or member state, and rated at least "BBB-" by S&P or "Baa3" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(6) bills of exchange issued in the United States, Canada, a member state of the European Union, Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(7) any money market deposit accounts issued or offered by a commercial bank organized under the laws of a country that is a member of the Organization for Economic Co-operation and Development, in each case, having capital and surplus in excess of €250 million (or the foreign currency equivalent thereof) or whose long term debt is rated at least "A" by S&P or "A2" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(8) investment funds investing 95% of their assets in securities of the type described in clauses (1) through (7) above (which funds may also hold reasonable amounts of cash pending investment or distribution); and

(9) investments in money market funds complying with the risk limiting conditions of Rule 2a-7 (or any successor rule) of the SEC under the U.S. Investment Company Act of 1940, as amended.

"*Total Assets*" means the consolidated total assets of the Issuer and its Restricted Subsidiaries as shown on the balance sheet of the Issuer prepared on the basis of IFRS.

"*Transactions*" shall have the meaning assigned to such term in this Offering Memorandum.

"*U.S. GAAP*" means generally accepted accounting principles in the United States of America as in effect from time to time.

"*Unrestricted Subsidiary*" means:

(1) any Subsidiary of the Issuer that at the time of determination is an Unrestricted Subsidiary (as designated by the Board of Directors of the Issuer in the manner provided below); and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of the Issuer may designate any Subsidiary of the Issuer (including any newly acquired or newly formed Subsidiary or a Person becoming a Subsidiary through merger, consolidation or other business combination transaction, or Investment therein) to be an Unrestricted Subsidiary only if:

(1) such Subsidiary or any of its Subsidiaries does not own any Capital Stock or Indebtedness of, or own or hold any Lien on any property of, the Issuer or any other Subsidiary of the Issuer which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary; and

(2) such designation and the Investment of the Issuer in such Subsidiary complies with "*—Certain covenants—Limitation on Restricted Payments*."

Any such designation by the Board of Directors of the Issuer shall be evidenced to the Trustee by filing with the Trustee a copy of the resolution of the Board of Directors of the Issuer giving effect to such designation and an Officer's Certificate certifying that such designation complies with the foregoing conditions.

The Board of Directors of the Issuer may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that immediately after giving effect to such designation (1) no Default or Event of Default would result therefrom and (2)(x) the Issuer could Incur at least €1.00 of additional Indebtedness under the first paragraph of the covenant described under "*—Certain covenants—Limitation on Indebtedness*" or (y) the Fixed Charge Coverage Ratio would not be less than it was immediately prior to giving effect to such designation, in each case, on a pro forma basis taking into account such designation. Any such designation by the Board of Directors shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of the Board of Directors giving effect to such designation or an Officer's Certificate certifying that such designation complied with the foregoing provisions.

"*Uniform Commercial Code*" means the New York Uniform Commercial Code.

"*Voting Stock*" of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled to vote in the election of directors.

"*Wholly Owned Subsidiary*" means a Restricted Subsidiary of the Issuer, all of the Capital Stock of which (other than directors' qualifying shares or shares required by any applicable law or regulation to be held by a Person other than the Issuer or another Wholly Owned Subsidiary) is owned by the Issuer or another Wholly Owned Subsidiary.

Book-entry, delivery and form

General

Notes sold within the United States to qualified institutional buyers in reliance on Rule 144A (the "Rule 144A Notes") under the U.S. Securities Act will be represented by one or more global notes in registered form without interest coupons attached (collectively, the "Rule 144A Global Notes"). The Rule 144A Global Notes will be deposited with, or on behalf of, a common depositary (the "Common Depositary") for the accounts of Euroclear Bank SA/NV, as operator of the Euroclear system ("Euroclear"), and Clearstream Banking, *société anonyme* ("Clearstream") and registered in the name of the nominee of the Common Depositary.

Notes sold outside the United States in reliance on Regulation S (the "Regulation S Notes") under the U.S. Securities Act will be represented by one or more global notes in registered form without interest coupons attached (collectively, the "Regulation S Global Notes" and, together with the Rule 144A Global Notes, the "Global Notes"). The Regulation S Global Notes will be deposited with, or on behalf of, the Common Depositary for the accounts of Euroclear and Clearstream and registered in the name of the nominee of the Common Depositary.

Ownership of interests in the Rule 144A Global Notes (the "Restricted Book-Entry Interests") and in the Regulation S Global Notes (the "Regulation S Book-Entry Interests" and, together with the Restricted Book-Entry Interests, the "Book-Entry Interests") will be limited to persons who have accounts with Euroclear and/or Clearstream, or persons who hold interests through such participants or otherwise in accordance with applicable transfer restrictions set forth in the Indenture and any applicable securities laws of any state of the United States or any other jurisdiction. Euroclear and Clearstream will hold interests in the Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositaries. Except under the limited circumstances described below, owners of beneficial interests in the Global Notes will not be entitled to receive physical delivery of certificated Notes.

Book-Entry Interests will be shown on, and transfers thereof will be done only through, records maintained in book-entry form by Euroclear and Clearstream and their respective participants. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of such securities in definitive certificated form. The foregoing limitations may impair your ability to own, transfer or pledge Book-Entry Interests. In addition, while the Notes are in global form, holders of Book-Entry Interests will not be considered the owners or "holders" of Notes for any purpose.

So long as the Notes are held in global form, the Common Depositary for Euroclear and/or Clearstream (or their respective nominees), as applicable, will be considered the sole holders of Global Notes for all purposes under the Indenture. In addition, participants in Euroclear and/or Clearstream must rely on the procedures of Euroclear and/or Clearstream, as the case may be, and indirect participants must rely on the procedures of Euroclear, Clearstream and the participants through which they own Book-Entry Interests, to transfer their interests or to exercise any rights of holders of the Notes under the Indenture.

Neither we nor the Trustee nor any of our or its respective agents and neither the Paying Agent, the Registrar, the Transfer Agent nor the Escrow Agent will have any responsibility or be liable for any aspect of the records relating to the Book-Entry Interests.

Definitive Registered Notes

Under the terms of the Indenture, owners of Book-Entry Interests will receive Definitive Registered Notes if:

- Euroclear or Clearstream notifies us that it is unwilling or unable to continue as depositary for the Global Notes, and we fail to appoint a successor;
- Euroclear or Clearstream so requests following an event of default under the Indenture; or
- the owner of a Book-Entry Interest requests such exchange in writing delivered through either Euroclear or Clearstream, as applicable, following an event of default under the Indenture.

Euroclear has advised the Issuer that upon request by an owner of a Book-Entry Interest, its current procedure is to request that the Issuer issue or cause to be issued Notes in definitive registered form to all owners of Book-Entry Interests.

In such an event, the Registrar will issue Definitive Registered Notes, registered in the name or names and issued in any approved denominations, requested by or on behalf of Euroclear and/or Clearstream, as applicable (in accordance with their respective customary procedures and based upon directions received from participants reflecting the beneficial ownership of Book-Entry Interests), and such Definitive Registered Notes will bear the restrictive legend set forth in "*Transfer restrictions*," unless that legend is not required by the Indenture or applicable law.

To the extent permitted by law, the Issuer, the Trustee, the Paying Agent, the Registrar, the Transfer Agent and the Escrow Agent shall be entitled to treat the registered holder of any Global Note as the absolute owner thereof and no person will be liable for treating the registered holder as such. Ownership of the Global Notes will be evidenced through registration from time to time at the registered office of the Issuer, and such registration is a means of evidencing title to the Notes.

In the case of the issuance of Definitive Registered Notes, the holder of a Definitive Registered Note may transfer such Note by surrendering it to the Registrar. In the event of a partial transfer or a partial redemption of a holding of Definitive Registered Notes represented by one Definitive Registered Note, a Definitive Registered Note will be issued to the transferee in respect of the part transferred, and a new Definitive Registered Note in respect of the balance of the holding not transferred or redeemed will be issued to the transferor or the holder, as applicable; provided that no Definitive Registered Note in a denomination less than €100,000 and in integral multiples of €1,000, in excess thereof, will be issued. We will bear the cost of preparing, printing, packaging and delivering the Definitive Registered Notes. Holders of the Book-Entry Interests may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and/or Clearstream.

If Definitive Registered Notes are issued and a holder thereof claims that such Definitive Registered Notes have been lost, destroyed or wrongfully taken or if such Definitive Registered Notes are mutilated and are surrendered to the Registrar or at the office of a transfer agent, we will issue and the Trustee (or its appointed agent) will authenticate a replacement Definitive Registered Note if the Trustee's and our requirements are met. We or the Trustee may require a holder requesting replacement of a Definitive Registered Note to furnish an indemnity bond sufficient in the judgment of both the Trustee and us to protect us, the Trustee, the Paying Agent and the Registrar appointed pursuant to the Indenture from any loss which any of them may suffer if a Definitive Registered Note is replaced. We may charge for the expenses of replacing a Definitive Registered Note.

If any such mutilated, destroyed, lost or stolen Definitive Registered Note has become or is about to become due and payable, or is about to be redeemed or purchased by us pursuant to the provisions of the Indenture, we in our discretion may, instead of issuing a new Definitive Registered Note, pay, redeem or purchase such Definitive Registered Note, as the case may be.

Definitive Registered Notes may be transferred and exchanged for Book-Entry Interests in a Global Note only in accordance with the Indenture and, if required, only after the transferor first delivers to the Transfer Agent a written certification (in the form provided in the Indenture) to the effect that such transfer will comply with the transfer restrictions applicable to such Notes. See "*Transfer restrictions*."

Redemption of the Global Notes

In the event any Global Note (or any portion thereof) is redeemed, Euroclear and/or Clearstream (or their respective nominees), as applicable, will redeem an equal amount of the Book-Entry Interests in such Global Note from the amount received by it in respect of the redemption of such Global Note. The Common Depositary will surrender such Global Note to the Registrar for cancellation or, in the case of a partial redemption, the Common Depositary will request the Registrar or the Trustee to mark down, endorse and return the applicable Global Note to reflect the reduction in the principal amount of such Global Note as a result of such partial redemption. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by Euroclear and Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof). We understand that, under existing practices of Euroclear and Clearstream, if fewer than all the Notes are to be redeemed at any time, Euroclear and Clearstream will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions) or by lot or on such other basis as they deem fair and appropriate; provided*,* however, that no Book-Entry Interest of less than €100,000 in principal amount may be redeemed in part.

Payments on Global Notes

We will make payments of any amounts owing in respect of the Global Notes (including principal, premium, if any, interest and additional interest, if any) to the Paying Agent, which will in turn make such payments to the Common Depositary or its nominee for Euroclear and Clearstream, which will distribute such payments to participants in accordance with their customary procedures. We will make payments of all such amounts without deduction or withholding for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, except as may be required by law and as described under "*Description of the Senior Secured Notes—Withholding taxes*." If any such deduction or withholding is required to be made, then, to the extent described under "*Description of the Senior Secured Notes—Withholding taxes*," we will pay additional amounts as may be necessary in order that the net amounts received by any holder of the Global Notes or owner of Book-Entry Interests after such deduction or withholding will equal the net amounts that such holder or owner would have otherwise received in respect of such Global Note or Book-Entry Interest, as the case may be, absent such withholding or deduction. We expect that standing customer instructions and customary practices will govern payments by participants to owners of Book-Entry Interests held through such participants.

Under the terms of the Indenture, we and the Trustee, the Registrar, the Transfer Agent, the Escrow Agent and the Paying Agent will treat the registered holders of the Global Notes (i.e., Euroclear or Clearstream (or their respective nominees)) as the owners thereof for the purpose of receiving payments and for all other purposes. Consequently, none of us, the Trustee, the Registrar, the Transfer Agent, the Escrow Agent or the Paying Agent or any of our or their respective agents has or will have any responsibility or liability for:

- any aspect of the records of Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest or for maintaining, supervising or reviewing the records of Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest;
- any other matters relating to the actions and practices of Euroclear, Clearstream or any participant or indirect participant; or
- the records of the common depositary.

Payments by participants to owners of Book-Entry Interests held through participants are the responsibility of such participants.

Currency of payment for the Global Notes

Except as may otherwise be agreed between Euroclear and/or Clearstream and any holder, the principal of, premium, if any, and interest on, and all other amounts payable in respect of the Notes will be paid to holders of interests in such Notes through Euroclear and/or Clearstream in euro.

Payments will be subject in all cases to any fiscal or other laws and regulations (including any regulations of the applicable clearing system) applicable thereto. Neither we nor the Trustee nor the Initial Purchasers nor any of our or their respective agents will be liable to any holder of a Global Note or any other person for any commissions, costs, losses or expenses in relation to or resulting from any currency conversion or rounding effected in connection with any such payment.

Action by owners of Book-Entry Interests

Euroclear and Clearstream have advised us that they will take any action permitted to be taken by a holder of Notes (including the presentation of Notes for exchange as described above) only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Notes. However, if there is an event of default under the Notes, each of Euroclear and Clearstream, at the request of the holders of the Notes, reserves the right to exchange the Global Notes for definitive registered Notes in certificated form (the "Definitive Registered Notes"), and to distribute such Definitive Registered Notes to its participants.

Transfers

Transfers of beneficial interests in the Global Notes will be subject to the applicable rules and procedures of Euroclear and Clearstream and their respective direct or indirect participants, which rules and procedures may change from time to time. If a holder of Notes requires physical delivery of Definitive Registered Notes for any reason, including to sell Notes to persons in states that require physical delivery of such securities or to pledge such securities, such holder of Notes must transfer its interests in the Global Notes in accordance with the procedures set forth in the Indenture.

The Global Notes will bear a legend to the effect set forth in "*Transfer restrictions*." Book-Entry Interests in the Global Notes will be subject to the restrictions on transfers and certification requirements discussed in "*Transfer restrictions.*"

Transfers of Restricted Book-Entry Interests to persons wishing to take delivery of Restricted Book-Entry Interests will at all times be subject to the transfer restrictions contained in the legend appearing on the face of the Rule 144A Global Note, as set forth in "*Transfer restrictions.*"

Restricted Book-Entry Interests may be transferred to a person who takes delivery in the form of a Regulation S Book-Entry Interest only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S or Rule 144A under the U.S. Securities Act or any other exemption (if available) under the U.S. Securities Act.

Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of a Rule 144A Book-Entry Interest only upon delivery by the transferor or a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "*Transfer Restrictions*" and in accordance with any applicable securities law of any other jurisdiction.

In connection with transfers involving an exchange of a Regulation S Book-Entry Interest for a Restricted Book-Entry Interest, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the Rule 144A Global Note.

Definitive Registered Notes may be transferred and exchanged for Book-Entry Interests in a Global Notes only as described under "*Description of the Senior Secured Notes—Transfer and exchange*" and, if required, only if the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Notes, See "*Transfer restrictions*."

Any Book-Entry Interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in any other Global Note will, upon transfer, cease to be a Book-Entry Interest in the first-mentioned Global Note and become a Book-Entry Interest in such other Global Note and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Note for as long as it remains such a Book-Entry Interest.

Application will be made to list the Notes represented by the Global Notes on the Official List of the Irish Stock Exchange and for the Notes to be admitted to trading on the Global Exchange Market thereof. Transfers of interests in the Global Notes between participants in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures, which rules and operating procedures may change from time to time.

Although Euroclear and Clearstream currently follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants in Euroclear or Clearstream, as the case may be, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of the Issuer, the Trustee, the Paying Agent or any of our or their respective agents will have any responsibility for the performance by Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Global clearance and settlement under the book-entry system

Although Euroclear and Clearstream currently follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants in Euroclear or Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. Neither we nor the Trustee nor the Initial Purchasers nor any of our or their respective agents will be liable or will have any responsibility for the performance by Euroclear, Clearstream or their participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Initial settlement

Initial settlement for the Notes will be made in euro. Book-Entry Interests owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional bonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of Euroclear and Clearstream holders on the business day following the settlement date against payment for value of the settlement date.

Secondary market trading

The Book-Entry Interests will trade through participants of Euroclear or Clearstream and will settle in same-day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading of any Book-Entry Interests where both the purchaser's and the seller's accounts are located to ensure that settlement can be made on the desired value date.

Special timing considerations

You should be aware that investors will only be able to make and receive deliveries, payments and other communications involving Notes through Euroclear or Clearstream on days when those systems are open for business.

In addition, because of time-zone differences, there may be complications with completing transactions involving Clearstream and/or Euroclear on the same business day as in the United States. U.S. investors who wish to transfer their interests in the Notes, or to receive or make a payment or delivery of Notes, on a particular day, may find that the transactions will not be performed until the next business day in Luxembourg if Clearstream is used, or in Brussels if Euroclear is used.

Clearing information

We expect that the Notes will be accepted for clearance through the facilities of Euroclear and Clearstream. The international securities identification numbers and common codes for the Notes are set forth under "*Listing and general information—Clearing information*."

Information concerning Euroclear and Clearstream

The following description of the operations and procedures of Euroclear and Clearstream are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. Neither we nor the Initial Purchasers take any responsibility for these operations and procedures and we urge investors to contact the systems or their participants directly to discuss these matters.

We understand as follows with respect to Euroclear and Clearstream:

Euroclear and Clearstream hold securities for participating organizations. They also facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants. Euroclear and Clearstream provide various services to their participants, including the safekeeping, administration, clearance, settlement, lending and borrowing of internationally traded securities. Euroclear and Clearstream also interface with domestic securities markets in several countries. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear or Clearstream is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Euroclear and Clearstream have no record of or relationship with persons holding through their account holders. Since Euroclear and Clearstream only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities that do not participate in the Euroclear or Clearstream systems, or otherwise take action in respect of such interest, may be limited by the lack of a definite certificate for that interest. We understand that, under existing industry practices, if either the Issuer or the Trustee requests any action by owners of Book-Entry Interests or if an owner of a Book-Entry Interest desires to give or take any action that a holder is entitled to give or take under the Indenture, Euroclear and Clearstream would authorize participants owning the relevant Book-Entry Interest to give or take such action, and such participants would authorize indirect participants to give or take such action or would otherwise act upon the instructions of such indirect participants.

The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such persons may be limited. In addition, owners of beneficial interests through the Euroclear or Clearstream systems will receive distributions attributable to the Rule 144A Global Notes only through Euroclear or Clearstream participants.

Tax considerations

EU Savings Directive

Under the European Council Directive 2003/48/EC of June 3, 2003 on the taxation of savings income in the form of interest payments (the "EU Savings Directive"), each Member State of the European Union is required, since July 1, 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) within the meaning of the EU Savings Directive ("Interest Payments") made by a paying agent located within its jurisdiction to, or for the benefit of, an individual resident for tax purposes in that other Member State or to certain limited types of entities established in that other Member State.

However, for a transitional period, certain Member States (Luxembourg and Austria) may instead levy withholding tax at a rate of 35% in relation to such Interest Payments. Such transitional period shall end at the end of the first full fiscal year following the later of (i) the date of entry into force of an agreement between the European Community and the last of several jurisdictions (Andorra, Liechtenstein, Monaco, San Marino and Switzerland), providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on April 18, 2002 with respect to Interest Payments made by paying agents established within their respective territories to beneficial owners resident in the territory to which the EU Savings Directive applies, in addition to the simultaneous application by those same jurisdictions of a withholding tax on such Interest Payments at the abovementioned rate, and (ii) the date on which the European Council unanimously agrees that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to Interest Payments made by paying agents established within its territory to beneficial owners resident in the territory to which the EU Savings Directive applies. The Luxembourg government has announced that Luxembourg will opt out of the withholding system in favor of the exchange of information system with effect from January 1, 2015.

A number of non-EU countries and dependent or associated territories, including Switzerland, have agreed to apply similar measures.

The European Commission has reviewed the EU Savings Directive and proposed certain amendments which may, if implemented, amend or broaden the scope of the requirements described above.

Certain French tax consequences

The following is a summary of certain material French tax considerations relating to the purchase, ownership and disposition of the Notes by an investor who is not a French tax resident for French tax purposes, who does not hold the Notes in connection with a permanent establishment or a fixed base in France and who is neither a shareholder of the Issuer nor a related party of the Issuer within the meaning of Article 39, 12 of the French tax code *(Code général des impôts*) (the "FTC").

This summary is based on the French tax law and regulations in effect and as applied by the French tax authorities on the date of this Offering Memorandum, all of which are subject to change, possibly with retroactive effect, or to different interpretations.

This summary is for general information only and does not purport to be a comprehensive description of all of the French tax considerations that may be relevant to any prospective investor.

Prospective investors in the Notes are urged to consult their own professional tax advisors as to the French tax consequences of purchasing, owning and disposing of the Notes in light of their particular circumstances.

EU Savings Directive

The EU Savings Directive was implemented into French law under Articles 199 *ter* and 242 *ter* of the FTC. Article 242 *ter* imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

Payments of interest and other revenues with respect to the Notes

Payments of interest and other revenues made by a debtor which is established in France with respect to a particular debt (including debt in the form of notes as the Notes) are not subject to the withholding tax set forth under Article 125 A III of the FTC unless such payments are made outside France in a non cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the FTC (a "Non-Cooperative State"). If such payments are made in a Non-Cooperative State, a 75% withholding tax is applicable (subject to certain exceptions, certain of which are set forth below and to the more favorable provisions of any applicable double tax treaty). The 75% withholding tax is applicable irrespective of the noteholder's tax residence or registered headquarters. The list of Non-Cooperative States is published by a ministerial executive order (*arrêté*) which is updated yearly.

Furthermore, according to Article 238 A of the FTC, interest on debt and other revenues paid by a debtor or an issuer of notes that is established in France will not be deductible from the debtor's or the issuer's taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid on an account opened in a financial institution established in such a Non-Cooperative State. Under certain conditions, any such non deductible interest or other revenues may be re characterized as constructive dividends pursuant to Article 109 *et seq.* of the FTC, in which case it may be subject to the withholding tax set out under Article 119 *bis* 2 of the FTC, at a rate of 30% or 75% (subject to the more favorable provisions of any applicable double tax treaty).

Notwithstanding the foregoing, neither the 75% withholding tax provided by Article 125 A III of the FTC, nor, to the extent the relevant interest and other revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, the non deductibility of the interest or other revenues pursuant to Article 238 A of the FTC and the withholding tax set out under Article 119 *bis* 2 of the FTC which may be levied as a consequence of such non-deductibility, will apply in respect of a particular issue of debt instruments (including debt in the form of notes as the Notes) provided that the debtor or the issuer can prove that the main purpose and effect of such issuance is not to enable payments of interest or other revenues to be made in a Non-Cooperative State (the "Exception").

Pursuant to French administrative guidelines — *Bulletin Officiel des Finances Publiques — Impôts* BOI-INT-DG-20-50-20120912 n°550 and n°990 — (the "Administrative Guidelines"), an issue of debt securities benefits from the Exception without the issuer having to provide any evidence supporting the main purpose and effect of such issuance of debt securities (the "Safe Harbor"), if such notes are:

- offered by means of a public offering within the meaning of Article L.411-1 of the French *Code monétaire et financier* (French Monetary and Financial Code) or pursuant to an equivalent offer in a state other than a Non-Cooperative State (for this purpose, an "equivalent offering" means any offering requiring the registration or submission of an offering document by or with a foreign securities market authority); or
- admitted to trading on a French or foreign regulated market or on a multilateral financial instruments trading facility, provided that such market or facility is not located in an Non-Cooperative State and that such market is operated by a market operator, an investment services provider, or by such other similar foreign entity that is not located in a Non-Cooperative State; or
- admitted, at the time of their issuance, to the operations of a central depositary or of a securities clearing and delivery and payment systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositaries or operators, provided that such depositary or operator is not located in a Non-Cooperative State.

Since the Notes issued by the Issuer under this Offering Memorandum qualify as debt securities under French commercial law and to the extent they are admitted, at the time of their issuance, to the operations of a central depositary or of a securities clearing and delivery and payment systems operator within the meaning of Article L. 561-2 of the French *Code monétaire et financier* which is not located in a Non-Cooperative State, payments of interest and other revenues made by or on behalf of the Issuer to the holders of the Notes in respect of the Notes will fall under the Safe Harbor.

Accordingly, such payments made by or on behalf of the Issuer to the holders of the Notes will be exempt from the withholding tax set forth under Article 125 A III of the FTC. Moreover, under the same conditions and to the extent that the relevant interest and other revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, interest and other revenues paid by the Issuer to the holders of the Notes in respect of the Notes will not be subject, pursuant to the Administrative Guidelines, to the related non-deductibility rule set forth under Article 238 A of the FTC and, as a result, will not be subject to the withholding tax set forth under Article 119 *bis* 2 of the FTC solely on account of their being paid or accrued to a person domiciled or established in a Non-Cooperative State or paid on an account opened in a financial institution established in such a Non-Cooperative State.

Taxation on disposal

A Noteholder who is not a resident of France for French tax purposes and who does not hold the Notes in connection with a permanent establishment or a fixed place of business in France should not be subject to any income or withholding taxes in France in respect of the gains realized on the sale, disposal or other disposition of the Notes.

Transfer tax

No transfer taxes or similar duties are payable in France in connection with the transfer of Notes, except in the case of filing with the French tax authorities on a voluntary basis.

Certain general tax considerations — Payments by a Guarantor

If a Guarantor makes any payment in respect of the Notes, it is possible that such payments may be subject to withholding tax at applicable rates, subject to such relief as may be available under the provisions of any applicable double taxation treaty, or to any other exemption which may apply.

Certain U.S. federal income tax considerations

TO ENSURE COMPLIANCE WITH U.S. TREASURY DEPARTMENT CIRCULAR 230, YOU ARE HEREBY NOTIFIED THAT: (I) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES IN THIS OFFERING MEMORANDUM IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; (II) SUCH DISCUSSION IS INCLUDED HEREIN BY THE ISSUER IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (III) YOU SHOULD SEEK ADVICE BASED ON YOUR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

The following is a summary of certain U.S. federal income tax consequences of the purchase, ownership and disposition of Notes by a U.S. holder (as defined below). This summary deals only with Notes that are held as capital assets (generally, property held for investment) by a U.S. holder who acquires the Notes upon original issuance at their issue price. This summary assumes that the issue price of the Notes will be the price set forth on the cover page of this Offering Memorandum.

For purposes of this discussion, a "U.S. holder" means a beneficial owner of Notes that is, for U.S. federal income tax purposes, any of the following:

- an individual citizen or resident of the United States;
- a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if it (i) is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) has a valid election in effect under applicable U.S. Treasury Regulations (the "Treasury Regulations") to be treated as a U.S. person.

This summary is based upon provisions of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), the Treasury Regulations, judicial authority, published administrative positions of the U.S. Internal Revenue Service (the "IRS") and other applicable authorities, all as in effect on the date of this Offering Memorandum. Changes in such rules, or new interpretations thereof, may have retroactive effect and could significantly affect the U.S. federal income tax consequences described below. We have not sought any ruling from the IRS with respect to the statements made and the conclusions reached in the following summary and there can be no assurance that the IRS or a court will agree with our statements and conclusions or that a court would not sustain any challenge by the IRS in the event of litigation.

- This summary is general in nature and does not purport to address all aspects of U.S. federal taxation or all tax considerations that may be relevant to a U.S. holder in light of its particular circumstances. In addition, it does not address the U.S. federal income tax consequences applicable to you if you are subject to special treatment under the U.S. federal income tax laws. For example, this summary does not address:
- tax consequences to holders who may be subject to special tax treatment, such as dealers in securities or currencies, traders in securities that elect to use the mark-to-market method of accounting for their securities, banks, financial institutions, individual retirement and other tax-deferred accounts, regulated investment companies, real estate investment trusts, S corporations, investors in partnerships or other pass-through entities for U.S. federal income tax purposes, tax-exempt entities or insurance companies;
- tax consequences to persons holding the Notes as part of a hedging, integrated, constructive sale or conversion transaction, or a straddle;
- tax consequences to a U.S. holder whose "functional currency" is not the U.S. dollar;
- tax consequences to U.S. expatriates or entities covered by the U.S. anti-inversion rules;
- tax consequences to persons who are not U.S. holders;
- persons who are resident in France or any other jurisdiction other than the United States or who have a taxable presence therein;
- alternative minimum tax consequences, if any;
- any U.S. federal tax consequences other than income tax consequences; or
- any state, local or non-U.S. tax consequences.

If an entity treated as a partnership for U.S. federal income tax purposes holds the Notes, the tax treatment of a partner generally will depend upon the status of the partner and the activities of the partner and the partnership. If you are a partnership holding Notes, or a partner in such a partnership, you should consult your own tax advisor.

The following discussion is for informational purposes only and is not a substitute for careful tax planning and advice. If you are considering the purchase of Notes, you should consult your own tax advisor concerning the particular U.S. federal income tax consequences to you of the purchase, ownership and disposition of the Notes, as well as the consequences to you arising under any other tax laws, under the laws of any other taxing jurisdiction or due to changes in tax law.

Additional payments

We may be required to pay additional amounts if certain taxes are withheld or deducted from payments on the Notes (as described under "*Description of the Senior Secured Notes—Withholding taxes*") or make additional payments in redemption of the Notes in addition to their stated principal amount and accrued interest (as described under "*Description of the Senior Secured Notes—Change of Control*" and "*Description of the Senior Secured Notes—Optional redemption*"). Although the issue is not free from doubt, we intend to take the position that the possibility of paying such additional amounts, or making additional payments in redemption of the Notes, does not result in the Notes being treated as contingent payment debt instruments under the applicable Treasury Regulations. If we become obligated to pay additional amounts, then we intend to take the position that such amounts will be treated as ordinary interest income and taxed as described below under "*—Payments of stated interest*." If we become obligated to make additional payments in redemption of the Notes, then we intend to take the position that such payments will be treated as additional proceeds and taxed as described under "*—Sale, exchange or retirement of Notes*." These positions will be based in part on our determination that, as of the date of the issuance of the Notes, the possibility that additional amounts will have to be paid, or additional payments in redemption of the Notes will have to be made, was a remote or incidental contingency within the meaning of the applicable Treasury Regulations.

Our determination that these contingencies are remote or incidental is binding on a U.S. holder, unless the U.S. holder explicitly discloses to the IRS on its tax return for the year during which such U.S. holder acquires the Notes that it is taking a different position. However, our position is not binding on the IRS. If the IRS takes a contrary position to that described above, a U.S. holder may be required to accrue interest income on its Notes based upon a comparable yield, regardless of its method of accounting. The "comparable yield" is the yield at which we would issue a fixed rate debt instrument with no contingent payments, but with terms and conditions otherwise similar to those of the Notes. In addition, any gain on the sale, exchange, redemption or other taxable disposition of the Notes would generally be recharacterized as ordinary income. Each U.S. holder should consult its own tax advisor regarding the tax consequences of the Notes being treated as contingent payment debt instruments. The remainder of this discussion assumes that the Notes will not be treated as contingent payment debt instruments.

Payments of stated interest

Stated interest on a Note (including any payments of additional amounts paid in respect of withholding taxes and without reduction for any amounts so withheld) will be included in your gross income of as ordinary income at the time that such interest is accrued or received, in accordance with your method of accounting for U.S. federal income tax purposes.

If you use the cash basis method of accounting for U.S. federal income tax purposes, you will be required to include in income the U.S. dollar value of the amount received, determined by translating the euro received at the "spot rate" on the date such payment is received regardless of whether the payment is in fact converted into U.S. dollars. Under applicable Treasury Regulations, the "spot rate" generally means a rate that reflects a fair market rate of exchange available to the public for currency under a spot contract involving representative amounts.

If you use the accrual method of accounting for U.S. federal income tax purposes or are otherwise required to accrue interest prior to receipt, you may determine the amount of income recognized with respect to such stated interest in accordance with either of two methods. Under the first method, you will be required to include in income for each taxable year the U.S. dollar value of the stated interest that has accrued during such year, determined by translating such interest at the average spot rate for the period or periods during which such interest accrued. Under the second method, you may elect to translate stated interest income at the applicable spot rate on (i) the last day of the accrual period, (ii) the last day of the taxable year if the accrual period straddles your taxable year or (iii) the date on which the stated interest payment is received if such date is within five business days of the end of the accrual period. This election will apply to all debt obligations you hold from year to year and cannot be changed without the consent of the IRS. You should consult your own tax advisor as to the availability and advisability of making such election.

Upon receipt of a stated interest payment on a Note (including, upon the sale or exchange of a Note, the receipt of proceeds that include amounts attributable to accrued interest previously included in income), a U.S. holder that uses the accrual method of accounting for tax purposes or is otherwise required to accrue interest prior to receipt generally will recognize U.S. source ordinary income or loss in an amount equal to the difference between the U.S. dollar value of such payment (determined by translating the euro at the "spot rate" on the date such payment is received) and the U.S. dollar value of the stated interest income previously included in income with respect to such payment, regardless of whether the payment is in fact converted into U.S. dollars. Such amount will not be treated as interest income or expense.

You may be entitled to deduct or credit foreign taxes, if any, imposed on stated interest (including any additional amounts), subject to certain limitations (including that the election to deduct or credit foreign taxes applies to all of your other applicable foreign taxes for a particular tax year). Stated interest income (including any additional amounts) on a Note generally will be considered foreign source income and, for purposes of the U.S. foreign tax credit, generally will be considered passive category income. You generally will be denied a foreign tax credit for foreign taxes imposed with respect to the Notes where you do not meet a minimum holding period requirement during which you are not protected from risk of loss. The rules governing the foreign tax credit are complex and this paragraph discusses those rules only at a high level of generality. You are urged to consult your tax advisor regarding the availability of the foreign tax credit under your particular circumstances.

Sale, exchange or retirement of Notes

If you sell or exchange a Note, or if a Note that you hold is retired, you generally will recognize gain or loss equal to the difference between the amount you realize on the transaction (less any amount attributable to accrued but unpaid interest that you have not previously included in income, which amount will be subject to tax in the manner described under "—*Payments of stated interest*") and your adjusted tax basis in the Note. Your adjusted tax basis in a Note generally will equal the U.S. dollar value of your purchase price for the Note on the date of such purchase decreased by the U.S. dollar value of the aggregate amount of any payments (other than stated interest) on such Note previously made to you. If you sell or exchange a Note for euro, or receive euro on the retirement of a Note, the amount you will realize for U.S. federal income tax purposes generally will be the U.S. dollar value of the euro that you receive on the date of such sale, exchange or retirement. However, if the Note is traded on an established securities market, a cash-basis U.S. holder (or, if it so elects, an accrual-basis U.S. holder) will determine the U.S. dollar value of euro received by translating such amount at the spot rate on the settlement date of the sale, exchange or retirement. Any such election made by an accrual-basis U.S. holder must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS.

Except as discussed below with respect to foreign currency exchange gain or loss, any gain or loss that you recognize on the sale, exchange or retirement of a Note generally will be U.S.-source capital gain or loss, and generally will be long-term capital gain or loss if you have held the Note for more than one year on the date of disposition. Long-term capital gains of individuals generally are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Despite the foregoing, gain or loss that you recognize on the sale, exchange or retirement of a Note generally will be treated as U.S.-source ordinary income or loss to the extent that the gain or loss is foreign currency exchange gain or loss with respect to the principal of a Note. For these purposes, the amount of foreign currency exchange gain or loss recognized generally will be equal to the difference between (i) the U.S. dollar value of the euro purchase price of the Note calculated as of the date of such sale, exchange or retirement (or on the settlement date, if the Notes are traded on an established securities market and the holder is either a cash-basis U.S. holder or an electing accrual-basis U.S. holder) and (ii) the U.S. dollar value of the euro purchase of the Note calculated as of the date you purchased such Note. The amount of foreign currency exchange gain or loss with respect to principal and accrued interest that is recognized upon such sale, exchange or retirement will be limited to the amount of overall gain or loss realized on your disposition of the Note.

Exchange of foreign currencies

Euro received as interest on a Note will have a basis equal to the U.S. dollar value thereof based on the spot rate in effect on the date of receipt. Upon the sale, exchange or retirement of a Note, if the Notes are traded on an established securities market, a cash-basis U.S. holder (or, upon election, an accrual-basis U.S. holder) will have a basis in the euro received equal to the U.S. dollar value thereof at the spot rate in effect on the settlement date of such sale, exchange or retirement. In all other cases, (i) the U.S. holder will realize exchange gain or loss to the extent that the U.S. dollar value of the euro received (based on the spot rate in effect on the date of receipt) differs from the U.S. dollar value of the euro on the date of the sale, exchange or retirement of the Note, and (ii) the U.S. holder's basis in the euro received will equal the U.S. dollar value of the euro, based on the spot rate in effect on the date of receipt. Any gain or loss recognized by a U.S. holder on a sale, exchange or other disposition of such euro will be ordinary income or loss and generally will be U.S. source income or loss for U.S. foreign tax credit purposes.

Reportable transactions

You may be required to report a sale or other disposition of your Notes (or if you are an accrual-basis U.S. holder, a payment of accrued interest) on IRS Form 8886 (Reportable Transaction Disclosure Statement) if you recognize foreign currency exchange loss that equals or exceeds certain threshold amounts. You are urged to consult your own tax advisor to determine the reporting obligations, if any, with respect to an investment in the Notes, including any requirement to file IRS Form 8886.

Foreign financial asset reporting

Certain U.S. holders are required to report information on the holding of certain foreign financial assets, including the debt of foreign entities, if the aggregate value all of these assets exceeds certain threshold amounts. The Notes are expected to constitute foreign financial assets subject to these requirements, unless the Notes are held in an account at certain financial institutions. U.S. holders should consult their tax advisors regarding the application of this reporting obligation.

Medicare contribution tax

Certain U.S. holders are individuals, estates or trusts will be required to pay up to an additional 3.8% tax on interest and capital gains. You are urged to consult your own tax advisor regarding the effect, if any, of such additional tax on your ownership and disposition of the Notes.

Backup withholding and information reporting

Payments in respect of the Notes that are made within the United States or through certain U.S.-related financial intermediaries are subject to information reporting and may be subject to backup withholding unless you (i) properly establish that you are a corporation or other exempt recipient or (ii) in the case of backup withholding, provide an accurate taxpayer identification number and certify that no loss of exemption from backup withholding has occurred or otherwise establish an exemption.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against your U.S. federal income tax liability. You may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing the appropriate claim for a refund with the IRS and furnishing any required information.

Limitations on validity and enforceability of the Guarantees and the security interests

Set forth below is a summary of certain limitations on the enforceability of the Guarantees and the security interests in some of the jurisdictions in which the Guarantees or the Collateral is being provided. It is a summary only, and proceedings of bankruptcy, insolvency or a similar event could be initiated in any of these jurisdictions and in the jurisdiction of organization of a future guarantor of the Notes. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdiction's law should apply and could adversely affect your ability to enforce your rights and to collect payment in full under the Notes, the Guarantees and the security interests in the Collateral. Also set forth below is a brief description of certain aspects of insolvency law in France and the Netherlands.

European Union

The Guarantors in France and the security providers in France and the Netherlands are incorporated under the laws of Member States of the European Union.

Pursuant to Council Regulation (EC) no. 1346/2000 of May 29, 2000, on insolvency proceedings, as amended (the "EU Insolvency Regulation"), which applies within the European Union, other than Denmark, the courts of the Member State in which a company's "center of main interests" (as that term is used in Article 3(1) of the EU Insolvency Regulation) is situated have jurisdiction to open main insolvency proceedings. The determination of where a company has its "center of main interests" is a question of fact on which the courts of the different Member States may have differing and even conflicting views.

Although there is a presumption under Article 3(1) of the EU Insolvency Regulation that a company has its "center of main interests" in the Member State in which it has its registered office in the absence of proof to the contrary, Preamble 13 of the EU Insolvency Regulation states that the "center of main interests" of a debtor should correspond to the place where the debtor conducts the administration of its interests on a regular basis and "is therefore ascertainable by third parties." The courts have taken into consideration a number of factors in determining the "center of main interests" of a company, including, in particular, where board meetings are held, the location where the company conducts the majority of its business or has its head office, and the location where the majority of the company's creditors are established. A company's "center of main interests" may change from time to time but is determined for the purposes of deciding which courts have competent jurisdiction to open insolvency proceedings at the time of the filing of the insolvency petition.

The EU Insolvency Regulation applies to insolvency proceedings that are collective insolvency proceedings of the types referred to in Annex A to the EU Insolvency Regulation.

If the "center of main interests" of a company is in one Member State (other than Denmark) under Article 3(2) of the EU Insolvency Regulation, the courts of another Member State (other than Denmark) have jurisdiction to open territorial insolvency proceedings against that company only if such company has an "establishment" in the territory of such other Member State. An "establishment" is defined to mean a place of operations where the company carries on non-transitory economic activity with human means and goods. The effects of those insolvency proceedings opened in that other Member State are restricted to the assets of the company situated in such other Member State.

Where main proceedings have been opened in the Member State in which the company has its center of main interests, any proceedings opened subsequently in another Member State in which the company has an establishment (secondary proceedings) are limited to "winding up proceedings" listed in Annex B of the EU Insolvency Regulation. Where main proceedings in the Member State in which the company has its center of main interests have not yet been opened, territorial insolvency proceedings can be opened in another Member State where the company has an establishment only where either (i) insolvency proceedings cannot be opened in the Member State in which the company's center of main interests is situated under that Member State's law; or (ii) the territorial insolvency proceedings are opened at the request of a creditor that is domiciled, habitually resident or has its registered office in the other Member State or whose claim arises from the operation of the establishment.

The courts of all Member States (other than Denmark) must recognize the judgment of the court opening the main proceedings, which will be given the same effect in the other Member States so long as no secondary proceedings have been opened there. The liquidator appointed by a court in a Member State that has jurisdiction to open main proceedings (because the company's center of main interests is there) may exercise the powers conferred on him or her by the law of that Member State in another Member State (such as to remove assets of the company from that other Member State) subject to certain limitations so long as no insolvency proceedings have been opened in that other Member State or any preservation measure taken to the contrary further to a request to open insolvency proceedings in that other Member State where the company has assets.

France

The following is a brief description of certain aspects of prevention of corporate difficulties and insolvency proceedings governed by French law for informational purposes only and does not address all the French legal considerations that may be relevant to holders of the Notes. References to the holders of the Notes below include the holders of the Notes acting through, or in place of, the Issuer with respect to the Collateral.

French laws and proceedings affecting creditors include Article 1244-1 *et seq*. of the French Civil Code (*Code civil*), ad hoc agency proceedings (*mandats ad hoc*), conciliation proceedings (*procédure de conciliation*), safeguard proceedings (*procédure de sauvegarde*), accelerated financial safeguard proceedings (*sauvegarde financière accélérée*) and judicial reorganization or liquidation proceedings (*redressement* or *liquidation judiciaire*). In general, French insolvency legislation favors the continuation of a business and the protection of employment over the payment of creditors.

Under the EU Insolvency Regulation, if a debtor is located in the European Union (other than Denmark), French courts shall have jurisdiction over the main insolvency proceedings if the center of the debtor's main interests is situated in France. In the case of a company or legal person, the place of the registered office shall be presumed to be the center of its main interests in the absence of proof to the contrary. In determining whether the center of main interests of a company is in France, French courts will take into account a broad range of factual elements.

Grace periods

In addition to pre-insolvency and insolvency laws discussed below, the holders of the Notes could, like any other creditors, be subject to Article 1244-1 *et seq*. of the French Civil Code (*Code civil*).

Pursuant to Article 1244-1 *et seq*. of the French Civil Code, French courts may, in any civil proceedings involving the debtor, whether initiated by the debtor or the creditor, taking into account the debtor's financial position and the creditor's financial needs, defer or otherwise reschedule the payment dates of payment obligations over a maximum period of two years and decide that any amounts, the payment date of which is thus deferred or rescheduled, will bear interest at a rate that is lower than the contractual rate (but not lower than the legal rate) or that payments made shall first be allocated to repayment of the principal. If a court order under Articles 1244-1 *et seq*. of the French Civil Code is made, it will suspend any pending enforcement measures, and any contractual interest or penalty for late payment will not accrue or be due during the period ordered by the court. A creditor cannot contract out of such grace periods. When the debtor benefits from a conciliation proceeding, these statutory provisions shall be read in combination with Article L611-7 of the French Commercial Code (see "*—Conciliation proceedings*").

Insolvency test

Under French law, a company is considered to be insolvent (*en état de cessation des paiements*) when it is unable to pay its debts as they fall due with its available assets taking into account available credit lines, existing debt rescheduling agreements and moratoria.

Mandat ad hoc proceedings

A French company facing difficulties may request the opening of *mandat ad hoc* proceedings, the aim of which is to reach an agreement with the debtor's main creditors and stakeholders.

French law does not provide for any specific rule in respect of *mandat ad hoc* proceedings, except that these proceedings (i) are confidential by law and (ii) may only be initiated by the debtor company itself, in its sole discretion. *Mandat ad hoc* proceedings are not limited in time and are informal proceedings carried out under the supervision of the President of the relevant court (usually the Commercial Court), which do not involve any stay of the proceedings.

A company that is facing any type of difficulties (but which is not insolvent; see "—*Insolvency test*") may request from the court the appointment of a *mandataire ad hoc*, whose name it can suggest. The *mandataire ad hoc*'s duties are determined by the court. Such *mandataire ad hoc* is usually appointed in order to facilitate negotiations with creditors but they cannot coerce the creditors into accepting any proposal. The agreement reached by the parties (if any) with the help of such *mandataire ad hoc* can be reported by the latter to the president of the court but is not approved by the court. The restructuring agreement between the company and its main creditors will be negotiated on a purely consensual and voluntary basis; those creditors not willing to take part cannot be bound by the arrangement. Creditors are not barred from taking legal action against the company to recover their claims but, in practice, they usually accept not to do so.

In any event, the debtor retains the right to petition the relevant judge for a grace period, as set forth above.

Conciliation proceedings

A French company facing difficulties may request the opening of conciliation proceedings (*procédure de conciliation*), the aim of which is to reach an agreement with the debtor's main creditors and stakeholders.

Points that conciliation proceedings have in common with *mandat ad hoc* proceedings are (i) confidentiality by law and (ii) they may only be initiated by the debtor company itself, in its sole discretion. Main differences include (i) the conditions to open conciliation proceedings, (ii) the limitation in time of conciliation proceedings, (iii) the right to petition the president of the Commercial Court for a grace period and (iv) the ability to acknowledge or approve the restructuring agreement.

A company may, in its sole discretion, apply for the opening of conciliation proceedings with respect to itself, *provided* it (i) is not insolvent (see "—*Insolvency test*"), or has been insolvent for fewer than 45 days and (ii) experiences current or predictable legal, economic or financial difficulties. The debtor petitions the president of the Commercial Court for the appointment of a conciliator (whose name he or she can suggest) in charge of assisting the debtor in negotiating with some or all of its creditors and/or trade partners an agreement that provides for the restructuring of its indebtedness. *Conciliation* proceedings are confidential and may last up to five months. During the proceedings, creditors may continue to sue individually for payment of their claims but they usually in practice accept not to do so. In addition, the debtor retains the right to petition the president of the Commercial Court for a grace period.

This agreement may be either acknowledged (*constaté*) by the President of the court or approved (*homologué*) by the court. It will become binding upon them and the creditors party thereto may not take action against the company in respect of claims governed by the agreement.

The acknowledgement of the agreement by the president of the court upon all parties' request, gives the agreement the legal force of a final judgment, which means that it constitutes a judicial title that can be enforced by the parties without further recourse to a judge (*titre exécutoire*), but the conciliation proceedings remain confidential.

The conciliation agreement can also be approved by the court upon the debtor's request. It will have the following specific consequences:

- creditors who provided new money, goods or services designed to ensure the continuation of the business of the distressed company (other than shareholders providing new equity) will have priority of payment over all pre-proceeding and post-proceeding claims (other than certain post-proceeding employment claims and procedural costs), in the event of subsequent safeguard proceedings, judicial reorganization proceedings or judicial liquidation proceedings; and

- in the event of subsequent judicial reorganization proceedings or judicial liquidation proceedings, the date of the *cessation des paiements* and therefore the commencement date of the suspect period cannot be set by the court as of a date earlier than the date of the approval of the agreement by the court.

A third party having granted a guarantee (*sûreté personnelle*) or a security interest (*sûreté réelle*) can benefit from the provisions of the approved or acknowledged agreement.

In the event of a breach of the agreement, any party to the agreement can petition the court for its termination. The commencement of subsequent insolvency proceedings will automatically put an end to the conciliation agreement, in which case the creditors will recover their claims and security interests, for those amounts already paid to them.

Conciliation proceedings, in the context of which a draft plan has been negotiated and is supported by a large majority of creditors without reaching unanimity, will be a mandatory preliminary step of the accelerated financial safeguard proceedings, as described below.

Safeguard proceedings

A company may, in its sole discretion, initiate safeguard proceedings (*procédure de sauvegarde*) with respect to itself, *provided* it (i) is not insolvent (see "*—Insolvency test*") and (ii) experiences difficulties that it is not able to overcome. Creditors of the company do not attend the hearing before the court at which the opening of safeguard proceedings is requested. Following the opening of safeguard proceedings, a court-appointed administrator is usually appointed to investigate the business of the company during an initial observation period, which may last up to 18 months, and helps the company elaborate a draft safeguard plan (*projet de plan de sauvegarde*). Creditors do not have effective control over the proceedings, which remain in the hands of the debtor assisted by the court-appointed administrator (*administrateur judiciaire*) and are overseen by the court.

During the safeguard proceedings, payment by the debtor of any debts incurred prior to the opening of the proceedings is prohibited, subject to very limited exceptions. For example, the bankruptcy judge can authorize payments for prior debts in order to discharge a lien on property needed for the continued operation of the business or recover goods or rights transferred as collateral in a fiduciary estate (*patrimoine fiduciaire*). In addition, creditors are required to declare to the court-appointed creditors' representative (*mandataire judiciaire*) the debts that arose prior to the opening of the procedure (as well as the post-opening non-privileged debts) and are prohibited from engaging any individual lawsuits against the debtor for any payment default in relation to such debts (see "*—Status of creditors during safeguard proceedings, accelerated financial safeguard proceedings, judicial reorganization proceedings or judicial liquidation proceedings*") and the accrual of interest on loans with a term of less than one year, or payments deferred for less than one year, is stopped. Debts arising after the commencement of the safeguard proceedings and which relate to expenses necessary for the business's activities during the observation period or are for the requirements of the proceedings, or are in consideration for a service rendered to the debtor during this period, must be paid as and when they fall due and, if such is not the case, they will be given priority over debts incurred prior to the commencement of the safeguard proceedings (with certain limited exceptions, such as the "new money lien").

In the case of large companies (with more than 150 employees or turnover greater than €20 million) or upon request of the debtor or the court-appointed administrator, two creditors' committees (one for credit institutions (or assimilated institutions and entities having granted credit or advances in favor of the debtor) and their successive assignees having a claim against the debtor, and the other for suppliers having a claim that represents more than 3% of the total amount of the claims of all the debtor's suppliers) will then be established. These committees will be consulted on the safeguard plan drafted by the debtor's management during the observation period. In addition, any member of a committee may submit proposals for drawing up a safeguard plan to the debtor and the court-appointed administrator.

The committees must announce whether they approve or reject the safeguard plan within a minimum of 15 days of its submission. The plan must be approved by a majority vote of each committee, provided that the majority is two-thirds of the outstanding claims of the creditors expressing a vote. The amounts of the claims secured by a trust (*fiducie*) constituted as a guarantee granted by the debtor are not taken into account. In addition, creditors for whom the plan does not provide any modification of their repayment schedule or provides for a payment of their claims in cash in full as soon as the plan is adopted or as soon as their claims are admitted do not take part in the vote.

If there are any noteholders, they are required to vote on the plan during a general meeting of all noteholders (even if they relate to different issues and regardless of the law applicable to each issue) held for that purpose and approve the plan at the same two-thirds majority vote. Approval of the plan at the two-thirds majority shall, if the plan is approved by the court, bind all the members of the committees and the noteholders (including those who voted against the adoption of the plan). The plan submitted to the committees and the noteholders, if any, must take into account subordination agreements entered into by the creditors before the commencement of the proceedings, may treat creditors differently if it is justified by their differences in situation and may notably include rescheduling or cancelling debts, and/or debt-for-equity swaps (debt-for-equity swaps requiring the relevant shareholder consent).

If, within the first six months of the observation period, the creditors' committees and the noteholders' meeting approve the plan, and subject to verification by the court that the interests of all creditors are sufficiently safeguarded and to a rescheduling of the claims of creditors who are not members of the committees or noteholders (as discussed hereinafter), the court will approve the plan. With respect to creditors who are not members of the committees, or in the event no committees are established, proposals are made to each creditor collectively or individually.

For those creditors (outside the creditors' committee or the noteholders' meeting) who have not reached a negotiated agreement, the court can impose a uniform rescheduling of the repayment of their debts over a maximum period of ten years, except for debts with maturity dates of more than ten years, in which case the maturity date shall remain the same. The court cannot obligate such creditors to waive any part of their claims or accept debt-for-equity swaps. The first payment must be made within a year of the judgment adopting the plan (in the third and subsequent years, the amount of each annual installment must be of at least 5% of the total amount of the debt claims).

In the event that the debtor company's proposed plan is not approved by both committees and the general meeting of noteholders within the first six months of the observation period, either because they do not vote on the plan or because they reject it, the court can still adopt a safeguard plan in the time remaining until the end of the observation period. In such a case the rules are the same as the ones applicable to creditors who are not part of the committees and who are not noteholders and, in particular, the court can only impose a uniform rescheduling of the repayment of the debts over a maximum period of ten years (as described in the preceding paragraphs).

The court-appointed creditors' representative (*mandataire judiciaire*) may decide not to consult on the plan for those creditors (outside any such committee or meeting). Creditors for whom the plan does not provide any modification of their repayment schedules or provides for a complete reimbursement in cash of their claims as soon as the plan is adopted or as soon as their claims are admitted do not need to be consulted on the plan.

In the event that safeguard (or judicial reorganization) proceedings are opened against the Issuer, the holders of the Notes will be treated as noteholders of the Issuer and will take part in the general meeting of noteholders and the noteholders' committees, if any. Therefore, the holders of the Notes would not be a member of the credit institutions' committee but would vote on any draft plan proposed by the Issuer as members of the general meeting of noteholders.

A draft plan (the approval of which would require a two-thirds majority vote of each committee and the general meeting of the noteholders) prepared by the Issuer' management and proposed by the Issuer to its creditors could include, among other things, debt rescheduling or the cancellation of debts, and/or debt-for-equity swaps (debt-for-equity swaps requiring the relevant shareholders' consent). Holders of the Notes could, as members of the general meeting of noteholders, veto such plan if they reach a blocking minority (i.e., their claims represent more than one-third of the claims of those creditors casting a vote in the meeting). Conversely, if a two-thirds majority is reached in each committee or meeting and the plan is subsequently approved by the relevant court, the plan will bind all the creditors of the Issuer (including noteholders and notably holders of the Notes, and the members of the creditor's committees who voted against the adoption of the plan during the vote taken by the applicable general meeting of noteholders or committee).

As a general matter, only the legal owner of the bank debt claim will be invited onto the credit institutions' committee. Accordingly, a person holding only an economic interest therein will not itself be a member of the credit institutions' committee.

Accelerated financial safeguard proceedings

Envisaged as a means of facilitating "pre-pack" bankruptcies in France, accelerated financial safeguard proceedings ("AFS") permit a debtor having prepared in conciliation proceedings a draft safeguard plan ensuring the continuation of his or her business as a going concern supported by enough of its financial creditors (i.e., members of the credit institutions' committee and noteholders) to render likely its adoption (at the two-thirds majority applicable in safeguard proceedings) by the credit institutions' committee and the noteholders' meeting, if any, within a maximum of two months of the commencement of the proceedings. Only financial creditors (e.g., creditor members of the credit institutions' committee and noteholders) are implicated in such a restructuring plan and consulted on the draft safeguard plan, and therefore an AFS filing does not affect or entail the suspension of payments to creditors other than financial creditors (e.g., suppliers).

As with traditional safeguard proceedings, the plan adopted in the context of an AFS may notably provide for rescheduling, debt cancellation and conversion of debt into equity capital in the debtor company (debt-for-equity swaps requiring the relevant shareholders' consent).

In order to file for an AFS, the debtor company must (i) be engaged in a conciliation procedure; (ii) justify the preparation of a draft safeguard plan ensuring the continuation of his or her business as a going concern supported by enough of its financial creditors to render likely its adoption by the credit institutions' committee and the noteholders' meeting; (iii) not be insolvent (see "*—Insolvency test*"); (iv) face financial difficulties which it finds itself unable to overcome and (v) have (a) either more than 150 employees or a turnover greater than €20 million or (b) a total balance sheet exceeding (aa) €25 million or (bb) €10 million if they control another company (α) which has more than 150 employees, (ß) the turnover of which for the previous financial year is greater than €20 million or (γ) the total balance sheet of which exceeds €25 million. Therefore, based on currently applicable regulations, the Issuer is currently eligible for AFS proceedings.

Creditors, other than financial creditors, such as public creditors, the tax or social security administration and suppliers are not directly impacted by the AFS. Their debts will continue to be due and payable according to their contractual or legal terms.

Since the AFS is by nature an accelerated procedure, very tight deadlines are imposed. The Commercial Court must approve any restructuring plan within one month of the date on which the procedure has begun, although this deadline may be extended by up to a maximum of one additional month. If a plan is not adopted by the creditors and approved by the court within such deadlines, the court is obligated to terminate the procedure.

Judicial reorganization or liquidation proceedings

Judicial reorganization or liquidation proceedings (*redressement* or *liquidation judiciaire*) may be initiated against or by a company only if it is insolvent (see "*—Insolvency test*") and, for the liquidation proceedings only, if the company's recovery is manifestly impossible. Note that a recent decision from the French Constitutional Court dated December 7, 2012 n°2012-286QPC held anti-constitutional the commencement of judicial reorganization proceedings by the court at its own initiative (the same reasoning is likely to apply to judicial liquidation proceedings). The company is required to petition for insolvency proceedings (or for conciliation proceedings) within 45 days of becoming insolvent. If it does not, de jure managers (including directors) and, as the case may be, de facto managers are exposed to incurring civil liability.

The date of insolvency (*cessation des paiements*) is deemed to be the date of the court order commencing proceedings, unless the court sets an earlier date, which may be up to 18 months before the date of the court order. Except for fraud, the date of insolvency may not be fixed at an earlier date than the date of the final court decision that approved an agreement (*homologation*) in the context of conciliation proceedings. The date of insolvency is important because it marks the beginning of the suspect period. Certain transactions undertaken during the suspect period may be void or voidable.

The court order commencing the proceedings may order either the liquidation or the reorganization of the company. In the event of reorganization, an administrator is usually appointed by the court (*administrateur judiciaire*) to investigate the business of the company during an initial observation period, which may last up to 18 months, and makes proposals either for the reorganization of the company (by helping the debtor to elaborate a reorganization plan, which is similar to a safeguard plan), or the sale of the business or the liquidation of the company. However, it cannot be ruled out that further to the aforementioned decision from the French Constitutional Court, the constitutionality of the conversion of a safeguard or judicial reorganization procedure into judicial reorganization or liquidation proceedings, when it is decided upon the court's own initiative, can be challenged. Committees of creditors and noteholders' meeting may be created under the same conditions as in safeguard proceedings. At any time during this observation period, the court can order the liquidation of the company. At the end of the observation period, the outcome of the proceedings is decided by the court.

Void and voidable transaction

"Void transactions" include transactions or payments entered into during the suspect period that may constitute voluntary preferences for the benefit of some creditors to the detriment of other creditors. These include transfers of assets for no consideration, contracts under which the reciprocal obligations of the company significantly exceed those of the other party, payments of debts not due at the time of payment, payments made in a manner that is not commonly used in the ordinary course of business, any escrow ordered by a judicial decision if such decision is not final when reorganization or liquidation proceedings are commenced, security granted for debts previously incurred, any provisional measures (unless the writ of attachment or seizure predates the date of insolvency) operations relating to stock options, fiduciary transfers (unless the transfer is made as a security for an indebtedness entered into simultaneously) and modifications to existing fiduciary transfers securing previous debts.

"Voidable transactions" include payments for due debts made from the date of insolvency, transactions for consideration and notices of attachments made to third parties (*avis à tiers détenteur*), seizures (*saisie attribution*) and oppositions made during the suspect period if the party dealing with the debtor company knew that it was insolvent (see "*—Insolvency test*"). Transactions relating to the transfer of assets for no consideration are also voidable when entered into during the six-month period prior to the beginning of the suspect period.

Creditors' liability

Pursuant to Article L. 650-1 of the French Commercial Code as interpreted by case law, where safeguard, judicial reorganization or judicial liquidation proceedings have been commenced, creditors may be held liable for the losses suffered as a result of facilities granted to the debtor only if the granting of such facilities was wrongful and, in the case of fraud, interference with the management of the debtor or if the security or guarantees taken to support the facilities are disproportionate to such facilities. In addition, any security or guarantees taken to support facilities in respect of which a creditor is found liable in such circumstances can be cancelled or reduced by the court.

If a creditor has repeatedly interfered in the company's management, it can be deemed a de facto manager of such company (*dirigeant de fait*). In such a case, Article L 651-2 of the French Commercial Code provides that, if judicial liquidation proceedings (*liquidation judiciaire*) have been commenced against the debtor, the creditor may be liable for bearing the excess of liabilities over the company's assets, along with the other managers (whether de jure or de facto), as the case may be, if it is established that their mismanagement contributed to the company's shortfall of assets. If such conditions are met, French courts will decide whether the managers should bear all or part of the shortfall amount.

Status of creditors during safeguard proceedings, accelerated financial safeguard proceedings, judicial reorganization proceedings or judicial liquidation proceedings

As a general rule, creditors domiciled in France whose claims arose prior to the commencement of the proceedings must file a claim with the court-appointed creditors' representative (*mandataire judiciaire*) within two months of the publication of the court order in the *Bulletin Officiel des Annonces Civiles et Commerciales* (BODACC) (by exception, the deadline begins upon the receipt of an individual notification for those creditors whose claims arose out of a published contract or who benefit from a published security interest); this period is extended to four months for creditors domiciled outside France. Creditors who have not submitted their claims during the relevant period are barred, except with respect to very limited exceptions, from receiving distributions made in accordance with the proceedings. Employees are not subject to such limits and are preferential creditors under French law.

From the date of the court order commencing the insolvency proceedings (safeguard, accelerated financial safeguard, judicial reorganization or liquidation proceedings), the company is prohibited from paying (i) debts outstanding prior to that date, subject to specified exceptions, which essentially concern the set-off of interrelated debts and payments made to recover assets for which recovery is justified by the continued operation of the business, provided that such payments are authorized by the bankruptcy judge and (ii) debts arising after the opening of the proceedings if such debts are not useful to the proceedings (post-opening, non-privileged debts). During this period, creditors may not pursue any legal action against the company with respect to any claim arising prior to the court order commencing the proceedings or, as the case may be, for the aforementioned post-opening, non-privileged debts if the objective of such legal action is:

- to obtain an order for or a payment of a sum of money by the company to the creditor (however, the creditor may require that a court fix the amount due); or
- to terminate a contract for nonpayment of pre-petition amounts owed by the company or to enforce the creditor's rights against any assets of the company, except where such asset, whether tangible or intangible, movable or immovable, is located in another Member State, in which case the rights *in rem* of creditors thereon would not be affected by the insolvency procedure, in accordance with the terms of Article 5 of EC Regulation 1346/2000.

In accelerated financial safeguard proceedings, however:

(i) debts owed to creditors other than banks, financial institutions or noteholders should be paid in the ordinary course; and

(ii) the debtor draws a list of the claims of its creditors having participated in the conciliation proceedings, which is certified by its statutory auditors (or in its absence, its accountant). Although such creditors can file proofs of claim pursuant to the regular process, they may also avail themselves of this simplified alternative and merely adjust the amounts of their claims as set forth in the list prepared by the debtor (within the two or four months' time limit). Those financial creditors who did not take part in the conciliation proceeding (but who would be party to the financial institutions' committee or the noteholders' meeting) would have to file their proofs of claim within the aforementioned legal time limits.

Contractual provisions that would accelerate the payment of the company's obligations upon the occurrence of (i) the opening of safeguard or judicial reorganization proceedings, (ii) accelerated financial safeguard or (iii) insolvency (*cessation des paiements*) are not enforceable under French law. The opening of liquidation proceedings, however, automatically accelerates the maturity of all of a company's obligations unless the continued operation of the business with a view to the adoption of a "plan for the sale of the business" (*plan de cession*) is ordered by the court (three months, renewable once), in which case the acceleration of the obligations will only occur on the date of the court decision adopting the "plan for the sale of the business" or on the date on which the continued operation of the business ends.

The court-appointed administrator may elect to terminate ongoing contracts (*contrats en cours*) which he or she believes the debtor will not be able to continue to perform. On the contrary, he or she may require the continuation of such contracts provided that the company fully performs its post-petition contractual obligations, or may decide not to continue them. The court can also set a time period during which the assets that it deems necessary to the continuation of the business of the debtor may not be sold without its consent.

If the court adopts a "plan for the sale of the business" (*plan de cession*) in judicial reorganization or liquidation proceedings with a temporary continuation of the business, the proceeds from the sale will be allocated for the payment of creditors according to their ranking.

If the court decides to order the judicial liquidation of the company, the court will appoint a liquidator to sell the assets of the company and settle the relevant debts in accordance with their ranking. However, in practice, where a plan for the sale of the business is considered, it will usually appoint a judicial administrator to manage the company and organize such sale of the business.

French insolvency law assigns priority to the payment of certain preferential creditors, including employees, officials appointed by the insolvency court as required by the regulations relating to insolvency proceedings, creditors who, as part of the approved conciliation agreement, have provided new money or goods or services, certain secured creditors in the event of judicial liquidation proceedings, post-petition creditors, the French State, other prepetition secured creditors and pre-petition unsecured creditors

Limitations on the Guarantees

The liabilities and obligations of each guarantor incorporated in France (a "French Guarantor") are subject to:

- certain exceptions, including to the extent any obligations which, if incurred, would constitute prohibited financial assistance within the meaning of Article L. 225-216 of the French Commercial Code or infringement of the provisions of Articles L. 241-3, L. 242-6 or L.244-1 of the French Commercial Code; and
- French corporate benefit rules, in particular, without limitations, should a Guarantee by granted by a French Guarantor other than the Parent Guarantor, a financial limitation corresponding to an amount equal to the proceeds from the Offering which the Issuer would apply for the direct or indirect benefit of each French Guarantor through any intercompany loans and/or cash-pooling arrangements that would be outstanding on the date a payment would be requested to be made by such French Guarantor.

Accordingly, any guarantee by a French Guarantor (other than the Parent Guarantor) will be limited to amounts that represent either (i) the amount of debt that each such French Guarantor and/or the controlled subsidiaries of that French Guarantor (if any) will be deemed to have refinanced with the proceeds of the Notes through intercompany loans, or (ii) the amounts of such proceeds that will be made available to such French Guarantor, and/or the controlled subsidiaries of that French Guarantor (if any), via the group's cash-pooling arrangements or otherwise. By virtue of this limitation, a French Guarantor's obligation under the guarantees could be significantly less than amounts payable with respect to the Notes, or a French Guarantor may have effectively no obligation under its guarantee.

In addition, if a French Guarantor receives, in return for issuing the guarantee, an economic return that is less than the economic benefit such French Guarantor would obtain in a transaction entered into on an arm's-length basis, the difference between the actual economic benefit and that in a comparable arm's-length transaction could be taxable under certain circumstances.

Under French corporate benefit rules, a court could declare any guarantee unenforceable and, if payment had already been made under the relevant guarantee, require that the recipient return the payment to the relevant guarantor, if the court found that the French guarantor did not receive some real and adequate corporate benefit from the transaction involving the grant of the guarantee as a whole. The existence of a real and adequate benefit to the guarantor and whether the amounts guaranteed are commensurate with the benefit received are matters of fact as to which French case law provides no clear guidance.

French law requires that, when a French company grants a guarantee of third-party obligations, the guarantee must be in the corporate purposes and in the corporate interests of the guarantor company. French case law has recognized that certain intragroup transactions (including upstream guarantees) can be in the corporate interests of the relevant company, particularly if the following criteria are fulfilled:

- the existence of a genuine group of companies operating under a common strategy work towards a common objective;
- the risk assumed by a French guarantor must be proportionate to the benefit;
- the transaction must maintain a balance between the financial commitments of the relevant affiliates;
- the French guarantor must receive an actual and adequate benefit, consideration or advantage from the transaction involving the granting by it of the guarantee; and
- the obligations of the French guarantor under the guarantee must not exceed its financial capability.

The existence of a real and adequate benefit to the guarantor and whether the amounts guaranteed are commensurate with the benefit received are matters of fact as to which French case law provides no clear guidance.

Limitation on enforcement of security interests

Security interests governed by French law may only secure payment obligations and may only be enforced following a payment default (including following acceleration) and up to the secured amount that is due and remaining unpaid.

Under French law, generally speaking, pledges over assets may be enforced at the option of the secured creditors either (i) before a court (a) by way of a sale of the pledged assets in a public auction (the proceeds of the sale being paid to the secured creditors) or (b) by way of judicial foreclosure (*attribution judiciaire*) of the pledged assets; or (ii) by way of contractual foreclosure (*attribution conventionnelle* or *pacte commissoire*) of the pledged assets to the secured creditors, following which the secured creditors become the legal owner of the pledged assets. Enforcement by way of contractual foreclosure may not be agreed at the time of the granting of the security or subsequently and, therefore, the holders of the Note will not benefit from such enforcement method.

If the secured creditors choose enforcement by way of foreclosure (whether judicial foreclosure or contractual foreclosure), the secured liabilities will be deemed extinguished up to the value of the attributed assets. Such value is determined either by the judge in the context of a judicial foreclosure (*attribution judiciaire*) or by a precontractually agreed expert in the context of a contractual foreclosure (*pacte commissoire*). In any event, if the value of the pledged assets exceeds the amount of the secured liabilities, the secured creditors will be required to pay the pledgor a *soulte* equal to the difference between the value of the pledged assets and the amount of the secured liabilities. This is true regardless of the actual amount of proceeds ultimately received by the secured creditor from a subsequent sale of the collateral. On the contrary, if the value of such shares is less than the amount of the secured debt, the relevant amount owed to the relevant creditors will be reduced by an amount equal to the value of such shares, and the remaining amount owed to such creditors will be unsecured.

Parallel Debt

Under French law, certain "accessory" security interests such as pledges require that the pledgee and the creditor be the same person. Such security interests cannot be held on behalf of the creditors by third parties who do not hold the secured claim, unless they act as trustees (*fiduciaires*) under Article 2011 of the French Civil Code or as security agents (*agents des sûretés*) under Article 2328-1 of the French Civil Code, which is not the case here for the security documents governed by French law. The holders of interests in the Notes from time to time will not be parties to the security documents. In order to permit the holders of the Notes to benefit indirectly from a secured claim, the Intercreditor Agreement will provide for the creation of a "Parallel Debt." Pursuant to such Parallel Debt, the Security Agent becomes the holder of a claim equal to each amount payable by an obligor under the Indenture and the Intercreditor Agreement. The pledges governed by French law will directly secure the Parallel Debt, and may not directly secure the obligations under the Notes and the other indebtedness secured by the

Collateral. Although the French Supreme Court (*Cour de cassation*) has held (in a decision dated September 13, 2011 rendered in the context of safeguard proceedings commenced in France) that, subject to certain conditions being met, the concept of "parallel debt" governed by the laws of the State of New York was not incompatible with the French law concept of international public policy (*ordre public international*), this decision cannot be considered as a general recognition of the enforceability in France of the rights of a security agent benefiting from a parallel debt obligation and no assurance can be given that such a structure will be effective in all cases before French courts. There is no certainty that the Parallel Debt construction will eliminate or mitigate the risk of unenforceability under French law. To the extent that the security interests in the Collateral created under the Parallel Debt structure are successfully challenged by other parties, holders of the Notes will not receive any proceeds from an enforcement of the security interest in the Collateral.

Trustee

Pledges governed by French law will be granted to the benefit of the Security Agent as trustee for the holders of the Notes in accordance with the provisions of the Indenture, and may therefore not directly be granted to holders of the Notes. A concept of "trust" has been recognized for tax purposes by Article 792-0 *bis* of the FTC and the French Supreme Court (*Cour de cassation*) has held, in the *Belvedere* decision referred to above in respect of the parallel debt concept, that a trustee validly appointed under a trust governed by the laws of the State of New York could validly be regarded as a creditor in safeguard proceedings opened in France. However, while substantial comfort may be derived from the above, France has not ratified the La Haye Convention of July 1, 1985 on the law applicable to trusts and on their recognition, so that the concept of "trust" has not been generally recognized under French law.

Fraudulent conveyance

French law contains specific provisions dealing with fraudulent conveyance both in and outside insolvency proceedings, the "*action paulienne*" provisions, which offer creditors protection against a decrease in their means of recovery. A legal act performed by a person (including, without limitation, an agreement pursuant to which such person guarantees the performance of the obligations of a third party or agrees to provide or provides security for any of such person's or a third party's obligations, enters into additional agreements benefiting from existing security and any other legal act having similar effect) can be challenged in or outside insolvency proceedings of the relevant person by the creditors' representative (*mandataire judiciaire*), the commissioner of the safeguard or recovery plan (*commissaire à l'exécution du plan*) insolvency proceedings of the relevant person or by any of the creditors of the relevant person outside insolvency proceedings or any creditor who was prejudiced in its means of recovery as a consequence of the act in or outside insolvency proceedings, and may be declared unenforceable against third parties if: (i) the person performed such acts without an obligation to do so; (ii) the creditor concerned or, in the case of the person's insolvency proceedings, any creditor, was prejudiced in its means of recovery as a consequence of the act; and (iii) at the time the act was performed both the person and the counterparty to the transaction knew or should have known that one or more of such person's creditors (existing or future) would be prejudiced in their means of recovery, unless the act was entered into for no consideration (*à titre gratuit*), in which case such knowledge of the counterparty is not necessary for a successful challenge on grounds of fraudulent conveyance. If a court found that the issuance of the Notes, the grant of the security interests in the Collateral, or the granting of a guarantee involved a fraudulent conveyance that did not qualify for any defense under applicable law, then the issuance of the Notes, the granting of the security interests in the Collateral or the granting of such guarantee could be declared unenforceable against third parties or declared unenforceable against the creditor who lodged the claim in relation to the relevant act. As a result of such successful challenges, holders of the Notes may not enjoy the benefit of the Notes, the Guarantees or the security interests in the Collateral and the value of any consideration that holders of the Notes received with respect to the Notes, the security interests in the Collateral or the Guarantees could also be subject to recovery from the holders of the Notes and, possibly, from subsequent transferees. In addition, under such circumstances, holders of the Notes might be held liable for any damages incurred by prejudiced creditors of the Issuer or the Guarantors as a result of the fraudulent conveyance.

The Netherlands

Under Dutch law, the obligations of the Dutch Security Providers may be affected by (i) the standards of reasonableness and fairness (*maatstaven van redelijkheid en billijkheid*); (ii) force majeure (*niet- toerekenbare tekortkoming*) and unforeseen circumstances (*onvoorziene omstandigheden*); and (iii) the other general defenses available to pledgors and debtors under Dutch law in respect of the validity, binding effect and enforceability of Dutch law security rights. Other general defenses include claims that a security interest should be voided because it was entered into through undue influence (*misbruik van omstandigheden*), fraud *(bedrog*), duress (*bedreiging*) or error (*dwaling*). Other impeding factors include rights of suspension (*opschorting*), dissolution of contract (*ontbinding*) and set-off (*verrekening*). The enforceability of the obligations of the Dutch Security Providers may also be limited under the 1977 Sanction Act (*Sanctiewet 1977*) or otherwise by international sanctions and in proceedings in a Dutch court for the enforcement of a Dutch law security interest, the court may mitigate amounts due in respect of litigation, enforcement and collection costs.

The validity and enforceability of the obligations of the Dutch Security Providers under the Notes may be successfully contested by a Dutch company (or its administrator (*bewindvoerder*) in suspension of payments or its receiver (*curator*) in bankruptcy) on the basis of an ultra vires claim, which will be successful if both (i) the obligations of the company do not fall within the scope of the objects clause as set forth in the company's articles of association (*doeloverschrijding*) and (ii) the company's counterparty knew or ought to have known (without inquiry) of this fact. In determining whether a transaction is in furtherance of the objects and purposes of a Dutch company, a court will consider (i) the text of the objects clause in the company's articles of association and (ii) all relevant circumstances including whether the granting of such security interest is in the company's corporate interests (*vennootschappelijk belang*) and to its benefit and whether the company's subsistence is jeopardized by the granting of such security interest. The mere fact that a certain legal act (*rechtshandeling*) is explicitly reflected in a Dutch company's objects clause may not be conclusive evidence that such legal act is not ultra vires.

In connection with the removal of the prohibition on financial assistance for Dutch private limited liability companies as of October 1, 2012, it was mentioned in the Dutch Parliament that the granting of security with a view to the acquisition (or the refinancing thereof) by any party of shares in the company's share capital or the shares of its (direct or indirect) parent company could, depending on the further circumstances, constitute ultra vires. At present, there is no Dutch case law on this subject.

To the extent that pursuant to an agreement to which a Dutch private company is a party, it is required or forbidden to take, or restricted in taking, any action that falls within the powers of its general meeting of shareholders, it may not be binding on and enforceable against it.

A security interest provided by a Dutch company may be suspended or voided in the case of (suspected) mismanagement by the Enterprise Chamber of the Court of Appeal in Amsterdam (*Ondernemingskamer van het Gerechtshof te Amsterdam*) on the motion of the holder or holders of 10% or more of the shares in such company or shares or depositary receipts issued therefor with a nominal value of €225,000 or more or such lesser amount as provided in the company's articles of association. If the company has an issued share capital of at least €22.5 million, such motion may be made by a holder or holders of 1% or more of the shares in such company or, provided those are listed on a qualifying trading venue, shares or depositary receipts issued therefor with a value of €20 million or more or such lesser amount as provided in the company's articles of association. A trade union and other entities entitled thereto in the articles of association of the relevant Dutch company may also submit a motion to the Enterprise Chamber for this purpose. The security itself may further be upheld by the Enterprise Chamber, yet actual payment under it may be suspended or voided.

Under Dutch law, any creditor of a Dutch Security Provider or its receiver (*curator*) may nullify any transaction or legal act entered into by a Dutch Security Provider in connection with the Notes, under certain circumstances, if (i) the transaction or legal act entered into by a Dutch Security Provider in connection with the Notes was conducted without prior existing legal obligation to do so (*onverplicht*); (ii) the creditor(s) concerned or, in the case of its/their bankruptcy, any creditor was prejudiced as a consequence of such transactions or legal act (irrespective of whether a creditor's claim arose prior to or after such transactions); and (iii) at the time of the transaction or legal act entered into by a Dutch Security Provider in connection with the Notes was conducted, the relevant Dutch Security Provider and, unless the transactions were conducted for no consideration (*om niet*), the counterparty knew or should have known that one or more of the entities' creditors (existing or future) would be prejudiced (*actio pauliana*). A receiver (*curator*) may nullify a transaction on behalf of and for the benefit of the joint insolvent debtor's creditors, and the burden of proof of the above-mentioned elements of fraudulent conveyance in principle rests on the receiver. Knowledge of prejudice is, however, presumed by law for certain transactions performed within a "suspect period" of one year prior to an adjudication of bankruptcy. This is applicable for certain transactions only, the most important application being in cases where the obligations of the bankrupt materially exceed those of the other party, the satisfaction of existing obligations of the bankrupt which are not yet due, and acts between the bankrupt and its counterparty when the shares in both are held (indirectly) by the same shareholder or if the bankrupt and its counterparty are part of the same group of companies. The foregoing requirements for invoking fraudulent transfer provisions outside of a bankruptcy apply *mutatis mutandis* when invoking fraudulent transfer provisions during a bankruptcy. In addition, the receiver may challenge a transaction if it was conducted on the basis of a prior existing legal obligation to do so (*verplichte rechtshandeling*), if (i) the transaction was conducted at a time when the counterparty knew that a request for bankruptcy had been filed or (ii) if such transaction was conducted as a result of deliberation between the debtor and the counterparty in order to give preference to the counterparty over the debtor's other creditors. Consequently, the validity of any such transactions conducted by a Dutch legal entity may be challenged and it is possible that such a challenge would be successful.

In the event that any one or more of the Dutch Security Providers or any of their subsidiaries experience financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced or the outcome of such proceedings. Applicable insolvency laws may affect the enforceability of the obligations and the security of the Dutch Security Providers. Under the EU Insolvency Regulation, it is not clear where registered shares in a Dutch private limited liability companies are situated so that a court may determine that those shares are situated in France or in any other jurisdiction and the enforcement of a security interest in the shares of that Dutch company may be affected by French insolvency laws or the laws of that other jurisdiction. The contemplated revision of the EU Insolvency Regulation may clarify that registered shares are situated within the Member State in the territory of which the company having issued the shares has its registered office (*statutaire zetel*). However, we cannot assure that a revision will take place and if it does, a revision to that effect will actually come into force during the life of the Notes.

The application of Dutch law in respect of a Dutch law security interest in the Collateral will not prevent effect being given to the overriding provisions of the law of a jurisdiction with which the situation has a close connection (and for this purpose "overriding provisions" are provisions the respect for which is regarded as crucial by a jurisdiction for safeguarding its public interests to such an extent that they are applicable to any situation falling within their scope, irrespective of the law otherwise applicable to an agreement and include any rules (whether mandatory or not) which must be applied pursuant to the EU Insolvency Regulation) and will not prevent regard having to be had to the law of the jurisdiction in which performance takes place in relation to the manner of performance and the steps to be taken in the event of defective performance.

In addition, enforcement of each Dutch law security interest in the Collateral (including allocation of the proceeds) is subject to Dutch law. Among other things, under Dutch law shares may only be transferred upon enforcement in accordance with Dutch law and the articles of association of the company in which shares are pledged at the time of enforcement. Rights of third parties acquiring a share or a limited right on a share and acting in good faith (*te goeder trouw*) may also affect the binding effect and enforceability of a Dutch law security interest in the Collateral.

In proceedings before a Dutch court, security interests are in principle enforced through a public auction of the relevant assets in accordance with Dutch law. The Security Agent or the relevant security interest provider may request the competent court to approve a private sale of the security assets, except when otherwise agreed. In the case of pledged assets, the Security Agent and the security interest provider may agree to an alternative foreclosure procedure once the pledge has become enforceable. The Security Agent may also request the competent court to determine that the pledged assets shall accrue to it for a price determined by the court. In the case of a pledge, the right of the relevant security interest provider to request approval of a private sale may be excluded.

Under Dutch law, certain "accessory" security interests such as rights of pledge require that the pledgee and the creditor are the same person. Such security interests cannot be held on behalf of third parties who do not hold the secured claim. In order to permit the beneficial holders of the Notes to benefit from a secured claim, the Intercreditor Agreement will provide for the creation of separate and independent debt obligations in favor of the Security Agent (the "Parallel Debt") mirroring the obligations of the Issuer and the Guarantors (as principal obligors) to the holders of the Notes under or in connection with the indenture (the "Principal Obligations"). The Parallel Debt will at all times be in the same amount and payable at the same time as the Principal Obligations. Any payment in respect of the Principal Obligations shall discharge the corresponding Parallel Debt and any payment in respect of the Parallel Debt shall discharge the corresponding Principal Obligations.

The security interests are granted to the Security Agent, on behalf of the holders of the Notes offered hereby, in its own capacity as creditor acting in its own name, pursuant to the Parallel Debt and not as a representative (*vertegenwoordiger*) of the holders of the Notes. The deed of pledge governed by Dutch law will directly secure the Parallel Debt, and may not directly secure the obligations under the Notes and the other indebtedness secured by the Collateral. The beneficial holders of interests in the Notes from time to time will not be parties to the Security Documents and those holders of the Notes will not be entitled to take enforcement actions in respect of such security interests except through the Security Agent (even if they are in some instances direct beneficiaries of the security interests in the Collateral). As a result, the holders of the Notes bear some risks associated with a possible insolvency or bankruptcy of the Security Agent. In addition, the Parallel Debt concept has not been tested under Dutch law and we cannot assure you that this parallel debt structure will mitigate or eliminate the risk of unenforceability posed by Dutch law. To the extent that the security interests in the collateral created to secure the Parallel Debt are successfully challenged by other parties, holders of the Notes will not (directly) receive any proceeds from an enforcement of the security interests in the collateral.

Insolvency laws

The Dutch Security Providers are incorporated under Dutch law. Accordingly, where the Dutch Security Providers have their "center of main interests" or an "establishment in the Netherlands," they may be subject to Dutch insolvency proceedings governed by Dutch insolvency laws, subject to certain exceptions as provided for in the EU Insolvency Regulation.

There are two applicable corporate insolvency regimes under Dutch law: (i) suspension of payments (*surseance van betaling*), which is intended to facilitate the reorganization of a debtor's debts and enable the debtor to continue as a going concern; and (ii) bankruptcy (*faillissement*), which is primarily designed to liquidate and distribute the debtor's assets to its creditors. Bankruptcy is the most commonly used insolvency regime and may result in the transfer of parts of the company as a going concern. A suspension of payments often results in the debtor's bankruptcy. Both insolvency regimes are set forth in the Dutch Bankruptcy Act (*Faillissementswet*).

Only the board of directors of the debtor can make an application for a suspension of payments, and only if it foresees that it will be unable to continue to pay its debts as they fall due. Once the application has been filed, a court will immediately (*dadelijk*) grant a provisional suspension of payments and appoint one or more administrators (*bewindvoerders*). A meeting of creditors is required to decide on the definitive suspension of payments, but it will generally be granted, unless a qualified minority (i.e., more than one-quarter of the amount of claims held by creditors represented at the creditors' meeting or more than one-third of the number of creditors of the amount of claims held by creditors) of the unsecured, non-preferential, creditors declare against it or if there is a valid fear that the debtor will try to prejudice the creditors during a suspension of payments or if there is no prospect that the debtor will be able to satisfy its creditors in the (near) future. That the debtor must be able to satisfy its creditors does not mean that they must be paid in full. It suffices that creditors can be satisfied to some extent (for example, by receiving a percentage of their claims within the framework of a composition). Other than in the case of the ordering by a competent court of a statutory stay of execution of up to two months (extendable by another period of up to two months) imposed by court order pursuant to Article 241a of the Dutch Bankruptcy Act (*Faillissementswet*), a suspension of payments will only affect unsecured, non- preferential creditors. During such stay of execution, a secured creditor may not, without the court's consent (i) claim the asset subject to the security right if it is under the control of (*in de macht van*) the debtor subject to suspension of payments or (ii) seek recourse against the asset.

Under Dutch law, a debtor can be declared bankrupt when it has ceased to pay its debts. Bankruptcy can be requested by a creditor of a claim when there is at least one other creditor. At least one of the claims (of the creditor requesting bankruptcy or the other creditor) needs to be due and payable. The debtor can also request the application of bankruptcy proceedings itself. Furthermore, the Public Prosecution Service (*het Openbaar Ministerie*) can request the application of bankruptcy proceedings for reasons of public interest (*openbaar belang*). In Dutch bankruptcy proceedings, a debtor's assets are generally liquidated and the proceeds distributed to the debtor's creditors according to the relative priority of those creditors' claims and, to the extent certain creditors' claims have equal priority, in proportion to the amount of such claims. Certain parties, such as secured creditors, will benefit from special rights. Secured creditors, such as pledgees and mortgagees, may enforce their rights separately from suspension of payments or bankruptcy and do not have to contribute to the liquidation costs; however, enforcement of the security interest might be subject to the following: (i) a statutory stay of execution of up to two months (extendable by another period of up to two months) imposed by court order pursuant to Article 63a of the Dutch Bankruptcy Act which has the same effects as set forth above for stays of execution in suspension of payment; (ii) a receiver (*curator*) can force a secured party to foreclose its security interest within a reasonable time (as determined by the receiver pursuant to Article 58(1) of the Dutch Bankruptcy Act), failing which the receiver will be entitled to sell the relevant rights or assets and distribute the proceeds to the secured party after a deduction of liquidation costs; and (c) excess proceeds of enforcement must be returned to the company's receiver and may not be offset against an unsecured claim of the company's secured creditor.

Unlike chapter 11 proceedings under U.S. bankruptcy law, where both secured and unsecured creditors are generally barred from seeking to recover on their claims, suspension of payment and bankruptcy proceedings against the Dutch Security Providers would allow secured creditors (and in the case of the suspension of payments, preferential creditors (including tax and social security authorities) as well) to satisfy their claims by proceeding against the assets (that secure their claims) as if there were no bankruptcy or suspension of payments. However, a statutory stay of execution as described above may be ordered by the competent court both in a suspension of payments and bankruptcy. Furthermore, certain preferred creditors have a preference by virtue of law. Unlike secured creditors, preferred creditors are not entitled to foreclose on assets of the bankrupt. They do have priority in the distribution of the proceeds of the bankrupt's assets.

Restrictions on the enforcement of security interests may apply. For instance, higher-ranking rights must be respected. These may include secured creditors and tax and social security authorities. A statutory stay of execution of security rights and other rights, as described above may be imposed. Furthermore, a receiver in bankruptcy can force a secured creditor to enforce its security interest within a reasonable period of time. If such time limit is not met, the receiver will be entitled to sell the secured assets, if any, and the secured creditor will have a preferred claim in respect of the proceeds, meaning that the secured creditor will have to share in the bankruptcy costs, which may be significant. Excess proceeds of any enforcement must be returned to the bankrupt estate; they may not be set-off against an unsecured claim of the secured creditor. Such set-off may be allowed prior to the bankruptcy, although at that time it may be subject to clawback in the case of fraudulent conveyance or bad faith in obtaining the claim used for the set-off.

Any pending executions of judgments against the debtor will be suspended by operation of law when a suspension of payments is granted and terminate by operation of law when bankruptcy is declared. In addition, all attachments on the debtor's assets will cease to have effect upon the suspension of payments having become definitive, a composition having been ratified by the court or the declaration of bankruptcy (as the case may be) subject to the ability of the court to set an earlier date for such termination. Litigation pending on the date of the bankruptcy order is automatically stayed.

Both in a definitive suspension of payments and bankruptcy, a composition (*akkoord*) may be offered to creditors. A composition will be binding for all unsecured and non-preferential creditors if it is: (i) approved by a simple majority (*gewone meerderheid*) of the number of creditors represented at the creditors' meeting, representing at least 50% of the amount of the claims that are acknowledged and conditionally admitted; and (ii) subsequently ratified (*gehomologeerd*) by the court. Consequently, Dutch insolvency law could preclude or inhibit the ability of the holders of the Notes to effect a restructuring and could reduce the recovery of a holder of Notes in a Dutch suspension of payments proceeding or bankruptcy. Interest accruing after the date on which a suspension of payments or bankruptcy is granted, cannot be claimed in a composition.

Contractual subordination may to a certain extent be given effect in Dutch insolvency proceedings. The actual effect depends largely on the way such subordination is construed.

Furthermore, the claim of a creditor, other than a claim to the extent that it is secured by Dutch law security, may be limited depending on the date the claim becomes due and payable in accordance with its terms. Claims (i) subject to a condition precedent (*opschortende voorwaarde*) (ii) with an uncertain due date or which entitles the claimant to periodic payments and (iii) which fall due more than one year after the date of the bankruptcy, will be valued for distribution purposes as of the date the bankruptcy was declared. Claims that become payable within one year after the bankruptcy was declared will be considered payable from the day the bankruptcy was declared.

All unsecured, pre-bankruptcy claims will have to be verified in the insolvency proceedings in order to be entitled to vote and, in a bankruptcy liquidation, entitled to distributions. "Verification" under Dutch law means, in the case of a suspension of payments, that the treatment of a disputed claim for voting purposes is determined and, in the case of a bankruptcy, the unsecured, pre-bankruptcy claims are submitted to a receiver for verification, and the receiver then makes a determination as to the claim's existence, ranking and value and whether and to what extent it should be admitted in the bankruptcy proceedings (for voting). In the situation of bankruptcy, creditors who wish to dispute the receiver's verification of their claims will be referred to a claim validation proceeding (*renvooiprocedure*) in order to establish the amount and rank of the disputed claim, while in a suspension of payments the court will decide how a disputed claim will be treated for voting purposes. These procedures could cause holders of Notes to recover less than the principal amount of their Notes or less than they could recover in a U.S. liquidation proceeding. The *renvooi* proceedings could also cause payments to the holders of Notes to be delayed. Interest on the Notes accruing after the bankruptcy order date cannot be admitted unless secured by a pledge or mortgage, in which case interest will be admitted *pro memoria*. To the extent that interest is not covered by the proceeds of the security, the creditor may not derive any rights from the admission. No interest is payable in respect of unsecured claims as of the date of a bankruptcy.

Plan of distribution

General

The Issuer, the Parent Guarantor and the Initial Purchasers have entered into a purchase agreement dated on or about , 2014 (the "Purchase Agreement"). Subject to the terms and conditions set forth in the Purchase Agreement, the Issuer has agreed to sell to the Initial Purchasers and the Initial Purchasers have agreed, severally and not jointly, to purchase from the Issuer, the entire principal amount of the Notes.

The Initial Purchasers initially propose to offer the Notes for resale at the issue price that appears on the cover of this Offering Memorandum. The Initial Purchasers may change the prices at which the Notes are offered and any other selling terms at any time without notice. The Initial Purchasers may offer and sell the Notes through certain of their affiliates and agents, including in respect of sales into the United States.

The Purchase Agreement provides that the obligations of the Initial Purchasers to pay for and accept delivery of the Notes are subject to, among other conditions, the delivery of certain legal opinions by their counsel and our counsel. The Purchase Agreement also provides that the Issuer and the Parent Guarantor will indemnify and hold harmless the Initial Purchasers against certain liabilities, including liabilities under the U.S. Securities Act, and will contribute to payments that the Initial Purchasers may be required to make in respect thereof.

Persons who purchase Notes from the Initial Purchasers may be required to pay stamp duty, taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the issue price set forth on the cover page hereof. Sales of the Notes may be made through affiliates of the Initial Purchasers or through registered brokers.

Notes are not being registered

The Notes and the Parent Guarantee have not been, and will not be, registered under the U.S. Securities Act or any state securities laws. The Initial Purchasers propose to offer the Notes for resale in transactions not requiring registration under the U.S. Securities Act or applicable state securities laws, including sales pursuant to Rule 144A and Regulation S. Any offer or sale of Notes in the United States in reliance on Rule 144A will be made by broker-dealers who are registered as such under the U.S. Exchange Act of 1934, as amended (the "U.S. Exchange Act"). Each purchaser of the Notes will be deemed to have made acknowledgements, representations and agreements described under "*Transfer restrictions*." The Initial Purchasers will not offer or sell the Notes except to persons they reasonably expect to be qualified institutional buyers or pursuant to offers and sales in offshore transactions in reliance on Regulation S. Resales of the Notes are restricted as described under "*Transfer restrictions*."

Each Initial Purchaser has represented that it (i) has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "FSMA") received by it in connection with the issuance or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer and (ii) has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

No action has been taken in any jurisdiction, including the United States and the United Kingdom, by us or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this Offering Memorandum or any other material relating to us or the Notes in any jurisdiction where action for this purpose is required. Accordingly, the Notes and the Parent Guarantee may not be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any other offering material or advertisements in connection with the Notes may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction. This Offering Memorandum does not constitute an offer to sell or a solicitation of an offer to purchase Notes in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this Offering Memorandum comes are advised to inform themselves about and to observe any restrictions relating to this Offering, the distribution of this Offering Memorandum and resale of the Notes. See "*Transfer restrictions*."

The Issuer and the Parent Guarantor have also agreed that they will not at any time offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any securities under circumstances in which such offer, sale, pledge, contract or disposition would cause the exemption afforded by the U.S. Securities Act or the safe harbors of Rule 144A and Regulation S to cease to be applicable to the offer and sale of the Notes.

No sale of similar securities

We have agreed not to offer, sell, contract to sell or otherwise dispose of, except as provided under the Purchase Agreement, any debt securities of, or parent guarantee by, the Issuer and the Parent Guarantor or any of their respective subsidiaries or affiliates (other than any securities issued by any funds managed or controlled by TowerBrook, Investcorp or entities controlled by such funds which have no relationship or connection otherwise with the Issuer, the Parent Guarantor or their respective subsidiaries or holding companies but are affiliates solely due to the fact that TowerBrook or Investcorp have an equity interest in such entity) that are substantially similar to the Notes during the period from the date of the Purchase Agreement through and including the date falling 45 days after the closing of this Offering without prior written consent.

New issue of securities

Currently there is no public market for the Notes. Application will be made to list the Notes on the Official List of the Irish Stock Exchange and for the Notes to be admitted to trading on the Global Exchange Market thereof. No certainty can be given that this application will be granted, and we cannot assure you that an active trading market for the Notes will develop.

The Initial Purchasers of the Notes have advised us that they intend to make a market in the Notes as permitted by applicable law. The Initial Purchasers are not obligated, however, to make a market in the Notes, and any market-making activity may be discontinued at any time at the sole discretion of the Initial Purchasers without notice. In addition, any such market making activity will be subject to the limits imposed by the U.S. Exchange Act. Accordingly, we cannot assure you that any market for the Notes will develop, that it will be liquid if it does develop or that you will be able to sell any Notes at a particular time or at a price which will be favorable to you. See "*Risk factors—Risks related to our indebtedness and the Notes—There may not be an active trading market for the Notes, in which case your ability to sell the Notes will be limited.*"

Initial settlement

We expect that delivery of the Notes will be made against payment on the respective Notes on or about the date specified on the cover page of this Offering Memorandum, which will be the business day (as such term is used for purposes of Rule 15(c)6-1 of the U.S. Exchange Act) following the date of pricing of the Notes (such settlement cycle being referred to as "T+ "). Under Rule 15(c)6-1 under the U.S. Exchange Act, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes on the date of pricing or the following business days will be required, by virtue of the fact that the Notes initially will settle in T+ , to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to trade the Notes on the date of pricing or the next succeeding business day should consult their own advisors.

Price stabilization and short positions

In connection with this Offering, the Stabilizing Manager, or persons acting on its behalf, may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes. Specifically, the Stabilizing Manager, or persons acting on its behalf, may over-allot the Notes or effect transactions, for a limited period after the Issue Date, with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. The Stabilizing Manager may bid for and purchase Notes in the open market for the purpose of pegging, fixing or maintaining the price of the Notes. The Stabilizing Manager may also create syndicate short positions, and may bid for and purchase Notes in the open market to cover the syndicate short position. In addition, the Stabilizing Manager may bid for and purchase Notes in market-making transactions as permitted by applicable laws and regulations and impose penalty bids. These activities may stabilize or maintain the market price of the Notes above market levels that may otherwise prevail. The Stabilizing Manager is not required to engage in these activities and may end these activities at any time. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the Notes. See "*Risk factors—Risks related to our indebtedness and the Notes—There may not be an active trading market for the Notes, in which case your ability to sell the Notes will be limited.*"

These stabilizing transactions, covering transactions and penalty bids may cause the price of the Notes to be higher than it would otherwise be in the absence of these transactions. Any such stabilizing action, if begun, may be ended at any time, but must end no later than the earlier of 30 calendar days after the Issue Date and 60 calendar days after the date of the allotment of the Notes. These transactions may be effected in the over-the-counter market or otherwise. See "*Risk factors—Risks related to our indebtedness and the Notes—There may not be an active trading market for the Notes, in which case your ability to sell the Notes will be limited.*"

Other relationships

Certain of the Initial Purchasers and/or their affiliates are mandated lead arrangers and original lenders under our new Revolving Credit Facility Agreement and are or will be counterparties in the hedging arrangements we expect to roll over and carry forward or enter into in connection with the Notes. The Initial Purchasers and their affiliates will receive customary fees and commissions in such capacities. J.P. Morgan Europe Limited will act as the agent under the Revolving Credit Facility and U.S. Bank Trustees Limited will act as the Security Agent under the Intercreditor Agreement.

The Initial Purchasers or their respective affiliates from time to time have provided in the past and may currently be providing and may provide in the future, investment banking, commercial lending, consulting and advisory services to us and our affiliates in the ordinary course of business, for which they have received or may receive customary fees and commissions. Oddo & Cie is currently advising us in the context of the Refinancing and will receive a fee for its services.

In addition, in the ordinary course of their business activities, the Initial Purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. Certain of the Initial Purchasers or their affiliates that have a lending relationship with us or our affiliates routinely hedge their credit exposure consistent with their customary risk management policies. Typically, such Initial Purchasers and their affiliates would hedge such exposure by entering into transactions that consist of either the purchase of credit default swaps or the creation of short positions in our securities, including (potentially) the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes offered hereby. The Initial Purchasers and their affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

Transfer restrictions

You are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of any of the Notes offered hereby.

General

The Issuer has not registered and will not register the Notes or the Guarantees under the U.S. Securities Act or any state securities laws and, therefore, the Notes may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Notes are only being offered and sold:

- in the United States to "qualified institutional buyers" or "QIBs" (as defined in Rule 144A) in compliance with Rule 144A; and
- outside the United States in offshore transactions in accordance with Regulation S.

We use the terms "offshore transaction" and "United States" with the meanings given to them in Regulation S.

Important information about this Offering

If you purchase Notes, you will be deemed to have acknowledged, represented to and agreed with the Issuer and the Initial Purchasers as follows:

(1) You understand and acknowledge that the Notes and the related Guarantees have not been, and will not be, registered under the U.S. Securities Act or any state securities laws and that the Notes are being offered for resale in transactions not requiring registration under the U.S. Securities Act or any other state securities laws, including sales pursuant to Rule 144A and, unless so registered, may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the U.S. Securities Act or any other applicable state securities laws, pursuant to an exemption therefrom, or in a transaction not subject thereto, and in each case in compliance with the conditions for transfer set forth in paragraph (4) below.

(2) You are not an "affiliate" (as defined in Rule 144A) of the Issuer or acting on behalf of the Issuer and you are either:

   (a) a QIB and are aware that any sale of these Notes to you will be made in reliance on Rule 144A and such acquisition will be for your own account or for the account of another QIB; or

   (b) purchasing the Notes in an offshore transaction in accordance with Regulation S.

(3) You acknowledge that none of the Issuer, the Parent Guarantor or the Initial Purchasers or any person representing any of them has made any representation to you with respect to the offer or sale of any of the Notes, other than the information contained in this Offering Memorandum, which Offering Memorandum has been delivered to you and upon which you are relying in making your investment decision with respect to the Notes. You acknowledge that no person, including none of the Initial Purchasers or any person representing the Initial Purchasers, other than the Issuer makes any representation or warranty as to the accuracy or completeness of this Offering Memorandum. You have had access to such financial and other information concerning us and our subsidiaries and the Notes as you deemed necessary in connection with your decision to purchase any of the Notes, including an opportunity to ask questions of, and request information from, the Issuer and the Initial Purchasers.

(4) You are purchasing these Notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the U.S. Securities Act, subject to any requirement of law that the disposition of your property or the property of such investor account or accounts be at

all times within your or their control and subject to your or their ability to resell these Notes pursuant to Rule 144A, Regulation S or any other available exemption from registration available under the U.S. Securities Act. You agree on your own behalf and on behalf of any investor account for which you are purchasing Notes issued in reliance on Rule 144A (the "Rule 144A Notes"), and each subsequent holder of the Rule 144A Notes by its acceptance thereof will agree, to offer, sell or otherwise transfer such Rule 144A Notes prior to the date (the "Resale Restriction Termination Date") that is one year after the later of the Issue Date and the last date on which we or any of our affiliates were the owner of such Notes (or any predecessor thereto) only:

(a) to us, the Parent Guarantor or any of our subsidiaries;

(b) pursuant to a registration statement that has been declared effective under the U.S. Securities Act;

(c) for so long as these Notes are eligible for resale pursuant to Rule 144A, to a person you reasonably believe is a QIB who purchases for its own account or for the account of a QIB to whom you give notice that the transfer is being made in reliance on Rule 144A;

(d) pursuant to offers and sales occurring outside the United States within the meaning of Regulation S; or

(e) pursuant to any other available exemption from the registration requirements of the U.S. Securities Act;

subject, in each of the foregoing cases, to any requirements of law that the disposition of your property or the property of your investor account or accounts be at all times within your or their control, and in compliance with any applicable state securities laws, and any applicable local laws and regulations.

You acknowledge that the Issuer, the Trustee, the Registrar and Transfer Agent reserve the right prior to any such offer, sale or transfer of the relevant Notes (i) pursuant to clause (d) or (e) above to require the delivery of an opinion of counsel, certification and/or other information satisfactory to each of them and (ii) in each of the foregoing cases, to require that a certificate of transfer in the form appearing on the reverse of the security is completed and delivered by the transferor to the Trustee. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date.

Each purchaser acknowledges that each Note will contain a legend substantially in the following form:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT.

THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT) OR (B) IT IS ACQUIRING THIS NOTE IN AN "OFFSHORE TRANSACTION" PURSUANT TO RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, AND IN THE CASE OF RULE 144A NOTES: (2) AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH NOTES, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") THAT IS ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THE NOTES (OR ANY PREDECESSOR OF THE NOTES) ONLY (A) TO THE ISSUER, THE PARENT GUARANTOR OR ANY SUBSIDIARY THEREOF (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (C) FOR SO LONG AS THE NOTES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE U.S. SECURITIES ACT, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT

THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A UNDER THE U.S. SECURITIES ACT, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE U.S. SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND; SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (D) OR (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE REVERSE OF THIS NOTE IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE; AND AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION" AND "UNITED STATES" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE U.S. SECURITIES ACT."

If you purchase Notes, you will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these Notes as well as to holders of these Notes.

(5) You acknowledge that the Registrar will not be required to accept for registration of transfer any Notes acquired by you, except upon presentation of evidence satisfactory to us and the Registrar that the restrictions set forth herein have been complied with.

(6) You acknowledge that:

  (a) the Issuer, the Initial Purchasers and others will rely upon the truth and accuracy of your acknowledgments, representations and agreements set forth herein and you agree that, if any of your acknowledgments, representations or agreements herein cease to be accurate and complete, you will notify us and the Initial Purchasers promptly in writing; and

  (b) if you are acquiring any Notes as a fiduciary or agent for one or more investor accounts, you represent with respect to each such account that:

    (i) you have sole investment discretion; and

    (ii) you have full power to make, and make, the foregoing acknowledgments, representations and agreements.

(7) You agree that you will give to each person to whom you transfer these Notes notice of any restrictions on the transfer of the Notes.

(8) You understand that no action has been taken in any jurisdiction (including the United States) by the Issuer or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this Offering Memorandum or any other material relating to the Issuer or the Notes in any jurisdiction where action for such purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set forth under "*Plan of distribution*."

(9) You acknowledge that until 40 days after the commencement of this Offering, any offer, sale or transfer of the Notes within the United States by a dealer (whether or not participating in this Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the U.S. Securities Act.

(10) You acknowledge that we, the Initial Purchasers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agrees that if any of the acknowledgements, representations, warranties and agreements deemed to have been made upon your purchase of the Notes are no longer accurate, you shall promptly notify the Initial Purchasers in writing. If you are acquiring any Notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to such investor account and that you have full power to make the foregoing acknowledgements, representations, warranties and agreements on behalf of each such investor account.

Legal matters

Certain legal matters will be passed upon for us by Kirkland & Ellis International LLP, as to matters of U.S. federal law and New York state law, and Bredin Prat A.A.R.P.I as to matters of French law. Certain legal matters will be passed upon for the Initial Purchasers by Latham & Watkins (London) LLP, as to matters of U.S. federal law and New York state law, and Latham & Watkins A.A.R.P.I as to matters of French law.

Independent auditors

The consolidated financial statements of the Parent Guarantor as of and for the years ended December 31, 2010, 2011 and 2012 have been audited by Constantin Associés (member of Deloitte Touche Tohmatsu Limited) and Ernst & Young et Autres, independent auditors, as stated in their reports, an English-language translation of which appears herein. The unaudited condensed interim financial statements as of and for the period ended October 31, 2013 have been reviewed by Constantin Associés (member of Deloitte Touche Tohmatsu Limited) and Ernst & Young et Autres, independent auditors, as stated in their report which appears herein.

Constantin Associés (member of Deloitte Touche Tohmatsu Limited) and Ernst & Young et Autres are members of the *Compagnie régionale des commissaires aux comptes de Versailles*.

Enforceability of judgments

The Issuer and the Guarantors are organized under the laws of France and certain security providers are incorporated under the laws of the Netherlands. Each of the documents relating to the Collateral for the Notes will be governed by the laws of France or the Netherlands, as applicable. The Indenture (including the Guarantees) and the Notes will be governed by New York law. The Intercreditor Agreement will be governed by English law. All of the directors and executive officers of the Issuer and the Guarantors and the large majority of the directors and executive officers of Top DutchCo are non residents of the United States. Since substantially all the assets of the Issuer and the Guarantors, and their directors and executive officers, are located outside the United States, any judgment obtained in the United States against the Issuer or the Guarantors or any such other person, including judgments with respect to the payment of principal, premium (if any) and interest on the Notes or any judgment of a U.S. court predicated upon civil liabilities under U.S. federal or state securities laws, may not be collectible in the United States. Furthermore, although the Issuer and the Guarantors will appoint an agent for service of process in the United States and will submit to the jurisdiction of New York courts, in each case in connection with any action in relation to the Notes and the Indenture or under U.S. securities laws, it may not be possible for investors to effect service of process on us or on such other persons mentioned above within the United States in any action, including actions predicated upon the civil liability provisions of U.S. federal securities laws.

If a judgment is obtained in a U.S. court against the Issuer, the Guarantors or a security provider, investors will need to enforce such judgment in jurisdictions in which the relevant company has assets. Even though the enforceability of U.S. court judgments outside the United States is described below for the countries in which the Issuer, the Guarantors and certain security providers are located, you should consult your own advisors in any pertinent jurisdictions as needed to enforce a judgment in those countries or elsewhere outside the United States.

France

The following is a summary of certain legal aspects of French law regarding the enforcement of civil law entitlements in connection with the Notes against the Issuer and the Guarantors, incorporated and existing under French law.

The United States and France are not parties to a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitral awards rendered in civil and commercial matters. Accordingly, a judgment rendered by any U.S. federal or state court based on civil liability, whether or not predicated solely upon U.S. federal or state securities laws, enforceable in the United States, would not directly be recognized or enforceable in France.

A party in whose favor such judgment was rendered could initiate enforcement proceedings (*exequatur*) in France before the relevant civil court (*Tribunal de Grande Instance*) that has exclusive jurisdiction over such matter.

Enforcement in France of such U.S. judgment could be obtained following proper (i.e., non-ex parte) proceedings if the civil court is satisfied that the following cumulative conditions have been met (which conditions, under prevailing French case law as of the date of this Offering Memorandum, do not include a review by the French court of the merits of the foreign judgment):

- such U.S. judgment is enforceable in the jurisdiction of the court that rendered it;
- such U.S. judgment was rendered by a court having jurisdiction over the matter because the dispute is clearly connected to the jurisdiction of such court (i.e., there was no international forum-shopping), the choice of the U.S. court was not fraudulent and the French courts did not have exclusive jurisdiction over the matter;
- such U.S. judgment does not contravene French international public policy rules, both pertaining to the merits and to the procedure of the case, which include particularly the right to a fair trial;
- such U.S. judgment is not tainted with fraud under French law (for example, the parties did not submit the dispute to a foreign court in order to intentionally avoid the application of French law); and

- such U.S. judgment does not conflict with a French judgment or a foreign judgment that has become effective in France, and there is no risk of conflict with proceedings pending before French courts at the time enforcement of the judgment is sought and having the same or similar subject matter as such U.S. judgment.

In addition to these conditions, it is well established that only final and binding foreign judicial decisions (i.e., those having a *res judicata* effect) can benefit from an *exequatur* under French law.

If the French civil court is satisfied that such conditions are met, the U.S. judgment is likely to benefit from the *res judicata* effect as of the date of the decision of the French civil court and is thus likely to be declared enforceable in France. However, the decision granting the *exequatur* can be appealed.

In addition, the discovery process under actions filed in the United States could be adversely affected under certain circumstances by French law No. 68-678 of July 26, 1968, as modified by French law No. 80-538 of July 16, 1980 and French Ordinance No. 2000-916 of September 19, 2000 (relating to the communication of documents and information of an economic, commercial, industrial, financial or technical nature to foreign authorities or persons), which could prohibit or restrict obtaining evidence in France or from French persons in connection with a judicial or administrative U.S. action or in contemplation thereof. If these regulations were applicable, the U.S. authorities would have to comply with international (the 1970 Hague Convention on the Taking of Evidence Abroad) and French procedural rules to obtain evidence in France or from French persons.

Similarly, French data protection rules (law No. 78-17 of January 6, 1978 on data processing, data files and individual liberties, as most recently modified by French Ordinance No. 2011-1012 of August 24, 2011) can limit under certain circumstances the possibility of obtaining information in France or from French persons in connection with a judicial or administrative U.S. action in a discovery context.

Furthermore, if an original action is brought in France, French courts may refuse to apply foreign law designated by the applicable French rule of conflict (including the law chosen by the parties to govern their contract) if the application of such law (in the case at hand) is deemed to contravene French international public policy (as determined on a case-by-case basis by French courts). Furthermore, in an action brought in France on the basis of U.S. federal or state securities laws, French courts may not have the requisite power to grant all the remedies sought.

Pursuant to Articles 14 and 15 of the French Civil Code, a French national (either a company or an individual) can sue a foreign defendant before French courts in connection with the performance of obligations contracted by the foreign defendant in France with a French person or in a foreign country with French persons (Article 14). Pursuant to Article 15 of the French Civil Code, a French national can be sued by a foreign claimant before French courts in connection with the performance of obligations contracted by the French national in a foreign country with the foreign claimant (Article 15). For a long time, case law has interpreted these provisions as meaning that a French national, either claimant or defendant, could not be forced against its will to appear in a jurisdiction other than French courts. However, according to recent case law, the French courts' jurisdiction over French nationals is no longer mandatory to the extent an action has been commenced before a court in a jurisdiction that has sufficient contacts with the litigation and the choice of jurisdiction is not fraudulent. In addition, a French national may waive his or her rights to benefit from the provisions of Articles 14 and 15 of the French Civil Code, including by way of conduct by voluntarily appearing before the foreign court.

Our French counsel has also advised us that the French Supreme Court (*Cour de cassation*) has ruled in 2012 that a contractual provision submitting one party to the exclusive jurisdiction of a court and giving another party the discretionary option to choose any relevant court with jurisdiction was invalid on the ground that it was unduly discretionary (*potestative*). Accordingly, any provisions to the same effect in any relevant documents would not be binding on the party submitted to the exclusive jurisdiction of the court or prevent a French party from bringing an action in the French courts. This ruling does not apply to choice of courts provisions designating arbitration tribunals.

The Netherlands

The Dutch Security Providers are incorporated under Dutch law and have their registered seat in the Netherlands. The large majority of the directors of the Dutch Security Providers reside outside the United States and a substantial amount of the Dutch Security Providers' assets are located outside of the United States. Service of process in U.S. proceedings on persons in the Netherlands is regulated by a multilateral treaty guaranteeing the service of writs and other legal documents in civil cases if the current address of the defendant is known. The enforcement in the Netherlands of foreign judgments is subject to Dutch rules of civil procedure. A competent Dutch court will apply Dutch private international law to determine which law applies to any private law claim brought before it and apply that law to such claim. Civil liabilities based on the securities laws of the United States may not be enforceable in the Netherlands, either in an original action or in an action to enforce a judgment obtained in U.S. courts.

The United States and the Netherlands currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Consequently, a final judgment for payment given by any court in the United States, whether or not predicated solely upon U.S. securities laws, would not be enforceable in the Netherlands. In order to obtain a judgment that is enforceable in the Netherlands, the claim must be re-litigated before a competent Dutch court in accordance with Dutch rule of civil procedure. A Dutch court will, under current practice, generally grant the same judgment without re-litigation on the merits, provided (i) that judgment results from legal proceedings compatible with Dutch notions of due process, (ii) that judgment does not contravene public policy (*openbare orde*) of the Netherlands and (iii) the jurisdiction of the relevant federal or state court in the United States was based on internationally accepted principles of private international law. Subject to the foregoing and provided that service of process occurs in accordance with applicable treaties, investors may be able to enforce judgments in civil and commercial matters obtained from U.S. federal or state courts in the Netherlands. However, no assurance can be given that such judgments will be enforceable. In addition, it is doubtful whether a Dutch court would accept jurisdiction and impose civil liability in an original action commenced in the Netherlands and predicated solely upon U.S. federal securities laws.

Where you can find other information

Each purchaser of Notes from an Initial Purchaser will be furnished with a copy of this Offering Memorandum and any related amendments or supplements to this Offering Memorandum. Each person receiving this Offering Memorandum and any related amendments or supplements to this Offering Memorandum acknowledges that:

(a) such person has been afforded an opportunity to request from the Issuer, and to review and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information contained herein;

(b) such person has not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with its investigation of the accuracy of such information or its decision to invest in the Notes; and

(c) except as provided pursuant to (a) above, no person has been authorized to give any information or to make any representation concerning the Notes offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by us or the Initial Purchasers.

We have agreed in the Indenture governing the Notes that, if at any time we are not subject to Section 13 or Section 15(d) of the U.S. Exchange Act, or are exempt from reporting pursuant to Rule 12g3-2(b) of the U.S. Exchange Act, we will, upon request of a holder of the Notes, furnish to such holder or beneficial owner or to the Trustee or the Paying Agent for delivery to such holder, beneficial owner or prospective purchaser of the Notes, as the case may be, the information required to be delivered pursuant to Rule 144A(d)(4) under the U.S. Securities Act, to permit compliance with Rule 144A thereunder in connection with resales of the Notes. Any such request should be directed to the Issuer at 22 avenue Aristide Briand, 94110 Arcueil, France.

The Issuer is not currently subject to the periodic reporting and other information requirements of the U.S. Exchange Act. However, pursuant to the Indenture that will govern the Notes, the Issuer will agree to furnish periodic information to the holders of the Notes. See "*Description of the Senior Secured Notes—Certain covenants—Reports.*"

Listing and general information

Listing

We currently intend to list the Notes on the Official List of the Irish Stock Exchange and to trade the Notes on the Global Exchange Market thereof. There can be no assurance that the Issuer will be able to effect such admission of the Notes to trading on the Global Exchange Market.

Clearing information

The Notes have been, or will be, accepted for clearance through the facilities of Euroclear and Clearstream. Certain trading information with respect to the Notes is set forth below.

	ISIN	Common codes
Rule 144A Global Notes		
Regulation S Global Notes		

Issuer and Guarantors' information

The Issuer

The Issuer is a public limited liability company (*société anonyme*) organized and existing under the laws of France, with registered number 086 380 706 RCS Créteil under the name Autodis S.A. The Issuer's registered office is at 22 avenue Aristide Briand, 94110 Arcueil, France. The Issuer is a wholly-owned subsidiary of the Parent Guarantor, which is a wholly-owned subsidiary of DutchCo, itself a wholly-owned subsidiary of Top DutchCo. For a full description of the principal shareholders of the Issuer, see "*Principal shareholders*."

The Parent Guarantor

The Parent Guarantor is a private limited liability company (*société par actions simplifée*) organized and existing under the laws of France, with registered number 488 077 165 RCS Créteil under the name Parts Holdings (France) S.A.S. The Parent Guarantor's registered office is at 22 avenue Aristide Briand, 94110 Arcueil, France. The Parent Guarantor is a direct wholly-owned subsidiary of DutchCo.

Autodistribution S.A.

Autodistribution S.A. is a public limited liability company (*société anonyme*) organized and existing under the laws of France with registered number 962 227 351 RCS Créteil under the name Autodistribution S.A. Autodistribution S.A.'s registered office is at 22 avenue Aristide Briand, 94110 Arcueil, France. Autodistribution S.A. is a direct wholly-owned subsidiary of the Issuer.

Resolutions, authorizations and approvals by virtue of which the Notes have been issued

The Issuer and the Parent Guarantor have obtained all necessary consents, approvals and authorizations (if any) in connection with the issuance of the Notes. The issuance of the Notes was approved by resolutions of the board of directors of the Issuer.

Material adverse change in Issuer's financial position

Except as disclosed elsewhere in this Offering Memorandum, there has been no material adverse change in our consolidated financial position since the date of our last published audited financial statements.

Litigation

Except as disclosed elsewhere in this Offering Memorandum, none of us, the Issuer or any Guarantors is involved, or has been involved during the twelve months preceding the date of this Offering Memorandum, in any litigation, arbitration, governmental or administrative proceedings which would, individually or in the aggregate, have a material adverse effect on our results of operations, condition (financial or other) or general affairs and, so far as each is aware, having made all reasonable inquiries, there are no such litigation, arbitration or administrative proceedings pending or threatened.

Post-issuance reporting

Except as otherwise provided in this Offering Memorandum, we do not intend to provide post-issuance information regarding the Notes. For so long as the Notes are listed on the Official List of the Irish Stock Exchange and are traded on the Global Exchange Market thereof and the rules of such exchange shall so require, the organizational documents of the Issuer and us, along with the Indenture, the Guarantees and the financial statements and related notes included herein will be available for inspection at the office of the Paying Agent during normal business hours.

Index to financial statements

Parts Holdings France S.A.S

Unaudited Condensed Interim Consolidated Financial Statements 31 October 2013

Parts Holdings (France)

Statutory auditors' review report on the interim condensed consolidated financial statements as of and for the ten-month period ended October 31, 2013

CONSTANTIN ASSOCIES
Member of Deloitte Touche Tohmatsu Limited
185, avenue Charles de Gaulle
92524 Neuilly-sur-Seine Cedex
S.A. au capital de € 831.000

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

ERNST & YOUNG et Autres
1/2, place des Saisons
92400 Courbevoie - Paris-La Défense 1
S.A.S. à capital variable

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

Parts Holdings (France)

Statutory auditors' review report on the interim condensed consolidated financial statements as of and for the ten-month period ended October 31, 2013

To the Chairman,

In our capacity as statutory auditors of Parts Holdings (France) and in accordance with your request in connection with the offering of the notes to be issued by Autodis S.A. and unconditionally and irrevocably guaranteed by Parts Holdings (France), we have performed a review of the interim condensed consolidated financial statements of Parts Holdings (France) as of and for the ten-month period ended October 31, 2013, consisting of the unaudited consolidated statement of financial position of Parts Holdings (France) as at October 31, 2013 and the related unaudited consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the ten-month periods ended October 31, 2013 with corresponding figures for the ten-month period ended October 31, 2012 together with the related condensed footnotes thereto, the accompanying "Financial Information".

The preparation of this Financial Information is the responsibility of your chairman. Our role is to express a conclusion on this Financial Information based on our review.

We conducted our review in accordance with professional standards applicable in France. A review primarily consists of making inquiries of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Financial Information is not prepared, in all material respects, in accordance with IAS 34 — IFRS as adopted by the European Union applicable to interim financial information.

Without modifying the conclusion expressed above, we draw your attention to note 3.2 which discloses the impacts of the application by your company of IAS 19 Revised "Employee Benefits", to the notes 3.2 and 7 with respect to Segment information transition and to the notes 3.2 and 20.1 with respect to the accounting for the SUP bonds.

This report is governed by French law. The courts of France shall have exclusive jurisdiction over any claim, dispute or difference resulting from our engagement letter or the present report, or any related matters. Each party irrevocably waives its right to oppose any action brought before French courts, to claim that the action is being brought before an illegitimate court or that the courts have no jurisdiction.

Neuilly-sur-Seine and Paris-La Défense, January 13, 2014

The statutory auditors

CONSTANTIN ASSOCIES
Member of Deloitte Touche Tohmatsu Limited

Benoit Pimont

ERNST & YOUNG et Autres

Benoit Schumacher

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Unaudited Condensed Interim Consolidated Income Statement

In millions of euros

	Notes	2013 10 months	2012 10 months
REVENUE	*8.1*	**952.2**	**907.3**
Cost of goods for sale		(594.6)	(575.2)
Personnel costs	*8.2*	(197.9)	(183.2)
Other purchases and external expenses	*8.3*	(104.5)	(101.9)
Taxes		(8.0)	(7.1)
Other operating income and expenses	*8.4*	1.3	2.7
EBITDA		**48.5**	**42.6**
Depreciation/amortisation expense	*11-12*	(13.6)	(12.4)
RECURRING OPERATING INCOME		**34.9**	**30.2**
Other income from operations	*8.5*	6.1	2.5
Other expenses from operations	*8.5*	(8.0)	(5.2)
OPERATING INCOME		**33.0**	**27.5**
Financial income	*8.6*	12.8	1.5
Financial expenses	*8.7*	(7.6)	(8.9)
Share of income of associates		0.0	(0.0)
INCOME BEFORE TAX		**38.2**	**20.1**
Income tax	*8.8*	(5.4)	(6.8)
NET INCOME FROM CONTINUING OPERATIONS		**32.8**	**13.3**
Net income (loss) from discontinued operations	*6.1.4*	—	(3.5)
NET INCOME FOR THE PERIOD		**32.8**	**9.8**
Attributable to:			
Owners of the parent:			
Net income (loss) from continued operations		32.6	13.4
Net income (loss) from discontinued operations		—	(3.5)
Net income attributable to owners of the parent		**32.6**	**9.9**
Non-controlling interests:			
Net income (loss) from continued operations		0.2	(0.1)
Net income (loss) from discontinued operations		—	—
Net income (loss) attributable to non-controlling interests		**0.2**	**(0.1)**
Earnings per share from continuing and discontinued operations			
Basic	*18*	€ 0.215	€ 0.064
Diluted	*18*	€ 0.215	€ 0.064
Earnings per share from continuing operations			
Basic	*18*	€ 0.215	€ 0.087
Diluted	*18*	€ 0.215	€ 0.087
Earnings per share from discontinued operations			
Basic	*18*	n/a	€(0.023)
Diluted	*18*	n/a	€(0.023)

The unaudited condensed interim consolidated income statement for the ten-month period ended October 31, 2012 includes adjustments related to the amendment to IAS 19 “Employee Benefits” (see Note 3.2 “basis of preparation”).

Unaudited Condensed Interim Consolidated Statement of Comprehensive Income

In millions of euros

	2013 10 months	2012 10 months
NET INCOME	**32.8**	**9.8**
Other comprehensive income:		
Items that will not be reclassified subsequently to profit and loss		
Actuarial gains (losses) on defined benefit plans	—	(1.5)
Items that may be reclassified subsequently to profit and loss		
Foreign exchange gains (losses)	(0.2)	0.1
Share in comprehensive income of associates	—	—
OTHER COMPREHENSIVE INCOME	**(0.2)**	**(1.4)**
TOTAL COMPREHENSIVE INCOME	**32.6**	**8.4**
Attributable to:		
Owners of the parent:	32.4	8.5
Non-controlling interests:	0.2	(0.1)

Foreign exchange gains and losses for the ten-month periods ended October 31, 2013 and October 31, 2012 are attributable to fluctuations in the Polish zloty exchange rate and are shown in the table below:

	2013	2012
Closing rate at 31 October	4.1783	4.1390
Average rate on the ten months ended 31 October	4.2004	4.1983

The Group has not put in place any foreign exchange hedging instruments for this currency.

Unaudited Condensed Interim Consolidated Statement of Financial Position

In millions of euros

	Notes	31 October 2013	31 December 2012 Restated*
ASSETS			
Goodwill	*10*	17.6	9.2
Intangible assets	*11*	142.9	142.0
Property, plant and equipment	*12*	47.6	45.6
Investments in associates		0.5	0.4
Available-for-sale financial assets		0.3	0.3
Other non-current assets	*13*	16.5	12.0
Deferred tax assets		21.8	18.9
TOTAL NON-CURRENT ASSETS		**247.1**	**228.4**
Inventories	*14*	188.9	175.1
Trade receivables	*15*	184.5	147.9
Other current assets	*16*	12.1	9.6
Cash and cash equivalents	*17*	22.2	58.4
Derivative financial instruments		—	—
TOTAL CURRENT ASSETS		**407.8**	**391.0**
Non-current assets held for sale	*6*	—	10.9
TOTAL ASSETS		**654.9**	**630.4**
EQUITY AND LIABILITIES			
Share capital	*18*	152.6	152.6
Other reserves		36.4	31.7
Net income attributable to owners of the parent		32.6	5.0
SHAREHOLDERS' EQUITY		**221.6**	**189.4**
NON-CONTROLLING INTERESTS		**(0.2)**	**(0.4)**
- Net assets		(0.4)	(0.2)
- Net income (loss)		0.2	(0.2)
TOTAL EQUITY		**221.4**	**189.0**
Non-current borrowings and debt	*20.2*	136.0	167.7
Non-current provisions	*22.2*	3.7	4.8
Liabilities relating to employee benefits	*21*	16.9	16.2
Deferred tax liabilities		0.0	(0.0)
Other non-current liabilities		3.4	4.4
TOTAL NON-CURRENT LIABILITIES		**160.0**	**193.1**
Current borrowings and debt	*20.2*	45.2	37.8
Current provisions	*22.1*	12.0	8.2
Trade payables	*23*	163.6	138.0
Other current liabilities	*23*	52.6	58.4
Derivative financial instruments		—	—
TOTAL CURRENT LIABILITIES		**273.5**	**242.4**
Liabilities directly associated with assets held for sale	*6*	—	5.8
TOTAL EQUITY AND LIABILITIES		**654.9**	**630.4**

* comparative financial statements have been restated following the application of IAS 19 revised and the completion of the purchase price allocation of Enssemble. The impacts of such restatements are disclosed respectively in note 3.2 "Basis of preparation" and in note 6.2 "Changes in the scope of consolidation for the ten-month period ended 31 October 2012"

Unaudited Condensed Interim Consolidated Statement of Changes in Equity

	Attributable to owners of the parent								
In millions of euros	**Share capital**	**Additional paid-in capital**	**Foreign exchange gains (losses)**	**Actuarial gains (losses) on defined benefit plans**	**Remeasurement of financial instruments**	**Consolidated reserves**	**Total Shareholders' equity**	**Non-controlling interests**	**Total equity**
At 1 January 2013 *(Restated)**	**152.6**	**0.0**	**(1.6)**	**10.3**	**10.0**	**18.1**	**189.4**	**(0.4)**	**189.0**
Net income for the period						32.6	**32.6**	0.2	**32.8**
Other comprehensive income (expense)			(0.2)				**(0.2)**		**(0.2)**
Comprehensive income (expense)	**152.6**	**0.0**	**(1.8)**	**10.3**	**10.0**	**50.7**	**221.8**	**(0.2)**	**221.6**
Other changes						(0.1)	**(0.1)**	0.2	**0.1**
Dividends paid							—	(0.2)	**(0.2)**
At 31 October 2013	**152.6**	**0.0**	**(1.8)**	**10.3**	**10.0**	**50.6**	**221.7**	**(0.2)**	**221.5**

* comparative financial statements have been restated following the application of IAS19 revised.

The impacts of the restatements are discloded in note 3.2 "Basis of preparation"

	Attributable to owners of the parent								
In millions of euros	**Share capital**	**Additional paid-in capital**	**Foreign exchange gains (losses)**	**Actuarial gains (losses) on defined benefit plans**	**Remeasurement of financial instruments**	**Consolidated reserves**	**Total Shareholders' equity**	**Non-controlling interests**	**Total equity**
At 1 January 2012 *(Restated)**	**152.6**	**0.0**	**(1.9)**	**11.8**	—	**12.5**	**175.0**	**0.5**	**175.5**
Net income for the period						9.8	**9.8**	(0.1)	**9.7**
Other comprehensive income (expense)			0.1	(1.5)			**(1.4)**	0.0	**(1.4)**
Comprehensive income (expense)	**152.6**	**0.0**	**(1.8)**	**10.3**	—	**22.3**	**183.4**	**0.4**	**183.8**
Other changes					10.0	(0.3)	**9.6**	(0.3)	**9.3**
Dividends paid							—	(0.2)	**(0.2)**
At 31 October 2012	**152.6**	**0.0**	**(1.8)**	**10.3**	**10.0**	**22.0**	**193.0**	**(0.1)**	**192.9**

* comparative financial statements have been restated following the application of IAS19 revised.

The impacts of the restatements are discloded in note 3.2 "Basis of preparation"

Unaudited Condensed Interim Consolidated Statement of Cash Flows

In millions of euros

	Notes	2013 10 months	2012 10 months
Cash flows from (used in) operating activities			
Net income		**32.8**	**9.8**
Net income from discontinued operations		—	3.5
Adjustments for non-cash income and expenses			
- Depreciation/amortisation		13.6	12.4
- Provisions (net of reversals)		(3.8)	(1.0)
- Share in earnings of associates		(0.0)	0.0
- Gains or losses on disposals of fixed assets		(1.2)	0.4
- Financial expenses without a cash effect		(8.6)	5.1
- Other income and expenses without a cash effect		(0.3)	—
Financial expenses and income with a cash effect		3.4	2.1
Income tax		5.4	6.8
Changes in working capital			
- Inventories		(9.8)	(6.1)
- Receivables		(31.4)	(6.3)
- Payables		21.5	8.0
- Other receivables and payables		(14.4)	(13.5)
Other items with a cash effect			
- Income tax		(4.7)	(4.3)
Net cash from (used in) operating activities — continuing operations		**2.5**	**16.9**
Net cash from (used in) operating activities — discontinued operations		**—**	**(3.8)**
Cash flows from (used in) investing activities			
Acquisitions of fixed assets	*12*	(13.4)	(11.5)
Changes in other financial assets		(0.7)	(1.3)
Disposal of fixed assets	*12*	2.1	0.2
Advances paid		(0.1)	(0.5)
Business acquisitions	*6.1*		
- Acquisitions net of cash acquired		(7.1)	(13.0)
- Disposals net of cash transferred		0.4	0.0
Net cash from (used in) investing activities — continuing operations		**(18.8)**	**(26.1)**
Net cash from (used in) investing activities — discontinued operations		**—**	**0.6**
Cash flows from (used in) financing activities			
Dividends paid to the owners of the parent company	*9*	—	(0.0)
Dividends paid to non-controlling interests of consolidated companies		(0.2)	(0.3)
Dividends received from associates		—	(0.0)
Capital increase in cash	*20*	—	—
Financial expenses and income with a cash effect		(3.4)	(2.1)
Increase in borrowings	*22*	3.6	10.3
Repayment of borrowings	*22*	(22.3)	(15.7)
Change in other financial liabilities		0.0	(0.1)
Net cash from (used in) financing activities — continuing operations		**(22.3)**	**(7.9)**
Net cash from (used in) financing activities — discontinued operations		**—**	**(0.2)**
Change in cash and cash equivalents — continuing operations		**(38.6)**	**(17.1)**
Change in cash and cash equivalents — discontinued operations		**—**	**(3.3)**
Cash and cash equivalents at the beginning of the period	*17*	**50.1**	**63.5**
Impact of currency rate fluctuations		(0.2)	0.7
Change in cash and cash equivalents of discontinued operations at the end of the period			(0.5)
Cash and cash equivalents at the end of the period	*17*	**11.7**	**41.9**

Notes to the Condensed Interim Consolidated Financial Statements

1. Approval of the condensed interim consolidated financial statements

On 13 January 2014, the Chairman approved Parts Holdings France S.A.S.'s unaudited condensed interim consolidated financial statements for the ten-month period ended 31 October 2013 ("The Interim Financial Statements").

Parts Holdings France (PHF) is a simplified joint-stock company (*Société par Actions Simplifiée* — S.A.S.) with a sole shareholder. It was incorporated on 18 January 2006. The shareholder is Parts Holdings BV, which in turn is owned by Parts Holdings Coöperatief U.A. The Parts Holdings France Group (The "Group") specializes in the distribution of automotive spare parts for light and heavy vehicles.

2. Information relating to the parent company

Parts Holdings France

A simplified joint-stock company with capital of €152,598,261.00

Registered office: 22 Avenue Aristide Briand, 94110 Arcueil, France

Registered with the Créteil Trade and Companies Registry under number 488 077 165

Parts Holdings France and its subsidiaries are included in the consolidated financial statements of Parts Holdings Coöperatief U.A., a company incorporated under Dutch law and registered with the Dutch Trade and Companies Registry under number 30254923, having its registered office at Boulevard 329, 1118 BJ Luchthaven, Schiphol, Netherlands.

3. Summary of significant accounting policies

3.1. Statement of compliance

The Interim Financial Statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union on 31 October 2013 and available on the following website:

http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.

In particular, these Interim Financial Statements have been prepared in accordance with IAS 34 "Interim Financial Reporting". They do not include all the information and disclosures required in the annual IFRS Financial Statements. They should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2012, approved by the Chairman on 29 March 2013.

The Group's Interim Financial Statements have been drawn up using the historical cost convention, with the exception of derivative financial instruments and financial assets available for sale, which are measured at fair value. The Interim Financial Statements are presented in millions of euros and all values are rounded up to the nearest million unless when otherwise stated.

3.2. Basis of preparation

In accordance with IAS 1 "Presentation of Financial Statements", the Interim Financial Statements have been prepared on the going concern basis that Parts Holdings France S.A.S. will continue its operation for the foreseeable future.

Except as described below, the accounting principles and adopted methods applied in the following Interim Financial Statements are identical to those used and described in the notes to Group's consolidated financial statements for the year ended 31 December 2012.

These Interim Financial Statements of the Group have been prepared in accordance with IAS 34 "Interim Financial Reporting" in connection and for purposes of the proposed international offering and listing on the Irish Stock Exchange of Senior Secured Notes by Autodis S.A., a wholly-owned subsidiary of the Group with the guaranty of Parts Holdings France S.A.S. in early 2014. Accordingly, these Interim Financial Statements include segment information under IFRS 8 "Operating Segments" (see Note 7 "Segment Information").

The SUP Bonds (contingent value instruments) issued as part of the safeguard proceedings of 2009 have been remeasured at fair value as further described in Note 20.1 "Group Financing".

Further, the following new standards and interpretations which are applicable starting from 1 January 2013, did not have any significant effect on the Group's Interim Financial Statements as of and for the ten-month period ended 31 October 2013, with the exception of the amendment to IAS 19 "Employee Benefits".

New accounting standards and interpretations with effect starting from 2013

The Group has applied the following new amendments, standards and interpretations previously endorsed by the European Union, which are effective as of 1 January 2013:

- Amendments to Revised IAS 19 "Employee Benefits" eliminates the option to defer the recognition of actuarial gains and losses, under the "corridor method", removes the concept of expected returns on plan assets, requires immediate recognition of past service costs which previously were expensed on a straight-line basis over the average period until the benefits become vested, modifies the presentation of changes in assets and liabilities arising from defined benefit plans, including a requirement to present the re-measurements in other comprehensive income (OCI), and increases the disclosure requirements for defined plans, including the disclosure of information about the characteristics of defined plans and the risks that entities are exposed to through participation in those plans.

  Furthermore, the interest cost and expected return on plan assets used in the previous version of IAS 19 are replaced with a "net interest" amount, which is calculated by applying the discount rate to the net defined benefit liability or asset.

  The amendments to IAS 19 are effective as of 1 January 2013 and must be applied retrospectively. As a result, the statement of financial position as of 31 December 2012 has been restated. The impacts of the application of IAS 19 Revised are further described below.

- IFRS 13 "Fair Value Measurement" defines fair value as the price that would be received to sell and asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. It sets out in a single IFRS a framework for measuring fair value and replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 "Financial Instruments: Disclosures". Note 20.1 includes the additional disclosures required at the interim reporting date in this respect.

  The application of IFRS 13 has no significant impact on the valuation of the assets and liabilities of the Group.

- As a result of the amendments to IAS 1 "Presentation of Financial Statements", the Group has modified the presentation of items of other comprehensive income in its unaudited condensed interim consolidated statement of comprehensive income, to present separately items that will be reclassified to profit or loss in the future from those that will never be. Comparative information as of 31 October 2012 has also been restated accordingly.

  The adoption of the amendments to IAS 1 has no impact on the recognized assets, liabilities and comprehensive income of the Group.

- Currently IAS 12, 'Income taxes', requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40 "Investment Property". Hence this amendment introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. As a result of the amendments, SIC 21, "Income taxes — recovery of revalued non-depreciable assets", would no longer apply to investment properties measured at fair value. As a result of the amendments, SIC 21, would no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC 21, which is accordingly withdrawn.

This amendment has had no impact on the consolidated financial statements.

- Amendment to IFRS 7, "Financial instruments: Disclosures", on asset and liability offsetting. This amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP.

Impact of the amendment to IAS 19 on the Consolidated Financial Statements as of 31 December 2012

In accordance with IAS 8 "Accounting policies, Changes in Accounting Estimates and Errors", IAS 19 "Employee Benefits" related adjustments for the year ended 31 December 2012 are detailed as follows:

Restatement of the consolidated statement of financial position:

In millions of euros	31 Dec. 2012 published	IAS 19R restatement	31 Dec. 2012 restated
Total Assets	**630.4**	**—**	**630.4**
Equity	**179.8**	**9.2**	**189.0**
Of which			
Other reserves	21.4	10.3	31.7
Net income attributable to owners of the parent	6.2	(1.1)	5.0
Current and non-current liabilities	**450.6**	**(9.2)**	**441.4**
Of which			
Liabilities relating to employee benefits	25.5	(9.2)	16.2
Total equity and liabilities	**630.4**	**—**	**630.4**

At 31 December 2012, the €9.2 million equity impact reflects the immediate recognition of actuarial gains and losses through other comprehensive income and the elimination of the option to defer the recognition of actuarial gains and losses, known as the "corridor method".

Restatement of the consolidated statement of changes in equity:

	Attributable to owners of the parent								
In millions of euros	Share capital	Additional paid-in capital	Foreign exchange gains (losses)	Actuarial gains (losses)	Remeasurement of financial instruments	Consolidated reserves	Total Shareholders' equity	Non-controlling interests	Total equity
At 1 January 2012 ***published***	**152.6**	**—**	**(1.9)**		**—**	**12.5**	**163.2**	**0.5**	**163.7**
IAS 19R restatement				11.8			11.8		11.8
At 1 January 2012 ***restated***	**152.6**	**—**	**(1.9)**	**11.8**	**—**	**12.5**	**175.0**	**0.5**	**175.5**

Standards and interpretations adopted by the IASB but not yet applicable at 31 October 2013

The Group does not apply the following new and revised IFRS that have been issued but are not yet effective or adopted by the European Union:

Accounting standards, amendments or interpretations	Effective dates
Standards	
IFRS 9 'Financial instruments'	1 January 2015
IFRS 10 'Consolidated financial statements'	1 January 2014
IFRS 11 'Joint arrangements'	1 January 2014
IFRS 12 'Disclosure of interests in other entities'	1 January 2014
IAS 27 revised 'Consolidated and separate financial statements'	1 January 2014
IAS 28 revised 'Interests in associates and joint ventures'	1 January 2014
Interpretations	
IFRIC 21, 'Levies'	1 January 2014
Amendments	
Amendment to IAS 32 'Financial instruments: Presentation', on asset and liability offsetting	1 January 2014
Amendments to IFRS 10, 11 and 12 on transition guidance	1 January 2014
Amendment to IAS 36 'Impairment of assets' on recoverable amount disclosures	1 January 2014
Financial instruments: Recognition and Measurement Amendment to IAS 39 'Novation of derivatives'	1 January 2014

The Group will apply the above standards, amendment and interpretations on their respective effective dates as endorsed by the European Union.

The Group did not exercise the option to adopt in advance these standards, amendments and interpretations in the Interim Financial Statements as of and for the ten-month period ended October 31, 2013 and does not expect that they would have a material impact on its results and financial position.

3.3. Significant judgments and estimates

The preparation of Interim Financial Statements requires the Group to use judgments and make estimates that can affect the carrying amounts of certain assets and liabilities, income and expense items, and disclosures in the accompanying notes. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed frequently, and the effect of changes in accounting estimates is accounted for from the date of revision.

In preparing these Interim Financial Statements, the significant judgments made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as of and for the year ended 31 December 2012.

The key assumptions relating to future events and other sources of uncertainty arising from the use of estimates on the reporting date, for which changes during a financial period could involve a significant risk of material change in the carrying amount of assets and liabilities, are shown hereinafter.

Impairment of non-financial assets

At the end of each reporting period, the Group assesses whether there is any indication that a non-financial asset might be impaired. The impairment tests are based on the four-year EBITDA plan for each Cash-Generating Units (CGU) defined by the Group. For the purposes of impairment testing goodwill is allocated to the CGU or group of CGUs most likely to benefit from the synergies of the business combination and to the lowest level at which goodwill is monitored by the Group. The CGUs correspond to subsidiaries or group of subsidiaries that are included in the same operating segment and that generate cash-flows largely independent from those generated by other CGUs. The assumptions used then undergo a sensitivity test to assess the variability of the result following the changes of all assumptions. Each year and whenever there is an indication of impairment, the Group carries out impairment tests. A valuation of the AD brand is also performed separately, bearing in mind that the impairment of the brand is reversible if events occur that show that indicators that led to a loss being recorded no longer exist.

In connection with the application of IFRS 8 "Segment Reporting" referred to above (See Note 7 "Segment Information"), the Group carried out a review of the value of goodwill and other non-financial assets as of October 31, 2013. Following the review, the Group did not recognize any impairment provision or reversal with the exception of the CGU in Poland (See below).

In addition, as of October 31, 2013, a sensitivity analysis in respect of the key assumptions regarding the value in use was carried out for each of the CGU. The assumptions used by the Group are the discount rate and EBITDA, The results of the sensitivity analysis are as follows:

- A 100 basis points increase in the discount rate would lower the recoverable amount but no impairment would be recognized by the Group;
- A 10% reduction in the EBITDA would lower the recoverable amount but no impairment would be recognized by the Group.

At 31 December 2012, goodwill, tangible and property, plant and equipment of Poland CGU were fully impaired. At 31 October 2013, the Group assessed that, considering the strong recovery following the new management initiatives, there was an indication of impairment reversal on property, plant and equipment and intangible assets and therefore carried out a valuation of their value in use, based on discounted cash flows taking into account the components of the Group's 2014 budget and the five-year business plan for AD Polska approved by the Executive Committee. Following this valuation, an impairment reversal of €2.9 million on property, plant and equipment and intangible asset was therefore recorded in "Other income from operations".

The amount of reversal was limited such that the carrying amount of the assets after reversal does not exceed the amount that would have been determined had no impairment loss been recognized in prior periods.

Income tax rate

In the preparation of these Interim Financial Statements and in accordance with IAS 34 "Interim Financial Reporting", the Group applied a projected income tax rate based on the best estimate of the weighted average annual income tax expected for the full financial year ended 31 December 2013.

4. Financial risk management and financial instruments

4.1. Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including cash flow interest rate risks, foreign exchange risks), credit risk and liquidity risk. The Interim Financial Statements do not include all financial risk management information and disclosures required in the annual financial statements, they should be read in conjunction with the Group's annual financial statements as at 31 December 2012. There have been no changes in the risk management or in any risk management policies since the year end.

4.2. Fair value estimation

The table in Note 19 "Presentation of financial assets and liabilities" analyses financial instruments carried at fair value, 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 assets or liability that are not based on observable market data (that is unobservable inputs) (Level 3).

5. Seasonality of operations

Due to the seasonal nature of the Group operations, lower revenue is usually expected in the month of August and December of each year.

6. Business combinations and acquisition of non-controlling interests

The scope of consolidation is set out in Note 24 and the amount of goodwill in Note 10.

6.1. Changes in the scope of consolidation for the ten-month period ended 31 October 2013

6.1.1. Acquisitions and newly-consolidated companies

Autodistribution's acquisition of Freinage Poids Lourds Services group

On 1 January 2013, the Group acquired 100% of the shares and voting interests of Freinage Poids Lourds Services group (hereinafter, "FPLS group").

FPLS group consists of 18 entities located in Grand Ouest region in France. These entities have been consolidated using the full consolidation method starting 1 January 2013, the date on which control was obtained. In the ten months to 31 October 2013, FPLS group contributed of €20.3 million to the Group's revenues. At 31 October 2013, FPLS group employed approximately 190 people.

The purchase price consideration was €3.4 million paid in cash and did not include any contingent payment. The identifiable assets acquired and liabilities assumed measured at fair value at the acquisition date were as follows:

In millions of euros	Group FPLS 1 January 2013
Property, plant and equipment	0.9
Other non-current assets	2.1
Inventories	3.2
Trade receivables	4.7
Deferred tax assets	1.3
Other assets	0.4
Borrowings and debt	1.1
Trade payables	4.0
Provisions	4.2
Bank overdrafts	3.2
Other liabilities	2.7
Total identifiable net assets	**(2.6)**

The goodwill arising from the allocation of the purchase price is €6.0 million. Residual goodwill represents mainly the expected synergies in terms of commercial activity and costs savings, market shares and their growth potential.

Autodistribution's acquisition of Rectification Du Pas-De-Calais group

On 31 January 2013, the Group acquired 100% of the shares and voting interests of Rectification Du Pas-De-Calais and its subsidiary Lilcolor (hereinafter "RPDC group").

RPDC group is located in the French region Nord Pas-de-Calais and is specialized in original spare parts distribution and engine rebuilding and employs around 29 people. These two entities have been consolidated using the full consolidation method as of 31 January 2013, the date on which control was obtained.

The purchase price consideration paid in cash in connection with this acquisition was €3.7 million and did not include any contingent payment.

The identifiable assets acquired and liabilities assumed measured at fair value at the acquisition date are as follows:

In millions of euros	Group RPDC 31 January 2013
Property, plant and equipment	0.3
Intangible assets	0.0
Inventories	1.2
Trade receivables	0.6
Cash and cash equivalents	0.7
Other assets	0.2
Borrowings and debt	0.1
Tax and social security liabilities	0.3
Trade payables	0.6
Other liabilities	0.3
Total identifiable net assets	**1.7**

The goodwill arising from the provisional allocation of the purchase price is €2.0 million. Residual goodwill represents mainly the expected synergies in terms of commercial and industrial activity and costs savings, market shares and their growth potential.

Autodistribution's acquisition of Comptoir Auto Marine Industrie

On 30 June 2013, the Group acquired 100% of Comptoir Auto Marine Industrie. This company is located in the French department Finistère. In the four months from the acquisition date to 31 October 2013, Comptoir Auto Marine Industrie contributed of €0.8 million to the Group's revenues. The provisional acquisition price was €0.9 million paid in cash. The goodwill arising from the provisional allocation of the purchase price is €0.4 million.

6.1.2. Incorporation of companies

No companies were incorporated during the ten-month period ended 31 October 2013.

6.1.3. Mergers within the Group

Transfer of all the assets and liabilities of the entity RPDC to AD Bassin Parisien Nord

This company, acquired in January 2013, was combined with AD Bassin Parisien Nord in the ten-month period ended 31 October 2013.

Transfer of all the assets and liabilities of Malinge Chevalier to AD Normandie Maine

This company was combined with AD Normandie Maine in the ten-month period ended 31 October 2013.

Transfer of all the assets and liabilities of Station Technique Auto to Val de Loire PL

This company, acquired in 2012, was combined with Val de Loire PL in the ten-month period ended 31 October 2013.

None of these transactions listed above has any effect on the Interim Financial Statements.

6.1.4. Disposals

Autodistribution's disposal of the wholly owned subsidiary Parts Holdings Italy

In August 2012, the Group entered into discussions with Giadi Group regarding the sale of Parts Holding Italy ("PHI") and its operating subsidiary Autodis Italy (ADIT). In April 2013, both parties signed a shareholders agreement in which, among other things, they agreed on the followings:

- A total consideration paid of €4.8 million, consisting of:
  - The sale of 80% of shares of PHI to Giadi for 1€ effective as of 30 April 2013;
  - The repayment of the intercompany loan granted by the Group to ADIT for a total of €4.8 million by 30 April 2021 (bearing interest rate of 4%), to be made in yearly instalments for an amount equal to the 50% of the AD International Bonus due to the new commercial group composed of PHI, ADIT and Giadi. The first instalment of the repayment will be paid in April 2014. (Total intercompany loan granted by the Group to ADIT and PHI was €9.1 million as of 31 December 2012).
- Put option in favour of Autodis pertaining to the sale of its non-controlling interest in PHI for an amount equal to a multiple of EBITDA. The put option can be exercised by Autodis not later than 3 months as from the date of approval of each annual financial statement of PHI and ADIT starting from April 2014. The put option shall expire on 31 July 2018.
- If the put option is not exercised by Autodis within the period defined above, and provided that the €4.8 million loan has been fully repaid, Giadi will have the right to exercise a call option on the whole Autodis's minority shareholdings in PHI at a value equal to 20% of the shareholders equity as disclosed in the latest approved consolidated financial statements of PHI. This call option can be exercised starting from August 2018 until 31 December 2021.

The business has been classified as a discontinued operation since September 2012. The effect of disposal on the Group's consolidated statement of financial position was as follows:

In millions of euros	Parts Holdings Italy 30 April 2013
Property, plant and equipment, net	0.0
Intangible assets, net	0.0
Inventories, net	2.9
Trade receivables, net	7.6
Cash and cash equivalents	0.4
Other assets, net	(0.0)
Borrowings and debt	0.0
Tax and social security liabilities	0.1
Trade payables	5.5
Other liabilities	0.2
Total net assets and liabilities	**5.1**

Starting 30 April 2013, Parts Holdings Italy has been accounted for by the equity method, as a 20%-owned associate. For the 3 month period ended 31 March 2013, net income from discontinued operations related to the disposal of Group's subsidiary Part Holding Italy (PHI and ADIT) and was not considered to be significant. For the 10 month period ended October 31, 2012, net loss from discontinued operations related only to the disposal of Group's subsidiary Part Holding Italy (PHI and ADIT) and amounted to €3.5 million.

6.2. Changes in the scope of consolidation for the ten-month period ended 31 October 2012

6.2.1. Acquisitions and newly-consolidated companies

Autodistribution's acquisition of additional shares in the Enssemble group

On 9 July 2012, the Group acquired 80% of the Enssemble group thereby increasing its interest from 20% to 100%.

The Enssemble group, located in the Lyon area in France, consists of the following eight companies, all wholly-owned subsidiaries of the Enssemble holding company:

- Porteret and Gobillot
- Bugisy
- SCI Lorat
- SCI Synimalau
- SARL Auto Contrôle
- EURL PAPL
- SARL FRA

The above-mentioned entities have been consolidated using the full consolidation method as of 9 July 2012, the date on which control was obtained. Before this acquisition, the Enssemble group was consolidated using the equity method.

The price paid in connection with the acquisition was € 10.4 million. In the four months to 31 October 2012, the Enssemble group contributed of €20.5 million to the Group's revenues. The PHF Group's revenues and net income if Enssemble group had been consolidated over 10 months are not presented in this report. The fact that the reporting date was not 31 December makes the calculation impracticable. At 31 October 2013, the Enssemble group employed approximately 458 employees.

The identifiable assets acquired and liabilities assumed measured at fair value at the acquisition date were as follows:

In millions of euros	Enssemble Group 9 July 2012
Property, plant and equipment	7.2
Intangible assets	—
Inventories	10.3
Trade receivables	9.2
Other assets	2.2
Borrowings and debt	2.4
Tax and social security liabilities	4.4
Trade payables	8.5
Bank overdrafts	1.2
Other liabilities	1.8
Total identifiable net assets	**10.4**

Independent experts valued the property, plant and equipment enabling the fair value to be assessed at the acquisition date. In accordance with the Group's principles described in Note 3.3.11 of the annual consolidated financial statements for the year ended December 31, 2012, a proportion of discounts, rebates, refunds and allowances granted to suppliers and the transportation costs for purchases were added back to the value of inventories. Inventories and trade receivables were impaired in accordance with the Group's current methods. Inventory reevaluation was based on the analysis of inventory rotation as well as level of provision. In addition to assets acquired and liabilities assumed, the Group recognized contingent liabilities for €1.1 million related to provision for compliance work at sites and provision for tax risks. The provision for tax risks was covered by a vendor's liability guarantee which had been recognized.

The goodwill arising from the provisional allocation of the purchase price was €2.6 million. It reflected the consolidation of the Group's foothold in the Rhône-Alpes region where Enssemble is the market leader, as well as future organization synergies. Goodwill was calculated as follows:

In millions of euros	Enssemble Group
Acquisition price for 80% of the capital	10.4
Equity-accounted associate remeasured at fair value	2.6
Total	13.0
Previously recorded net assets	(10.4)
Goodwill	2.6

During the first six months of fiscal year 2013, the Group completed the allocation of the purchase price, which resulted in a reevaluation of Enssemble's inventories. Such inventory reevaluation is primarily due to the completion of our analysis on inventory rotation. The impacts on purchase price allocation and goodwill are as follows:

In millions of euros	Enssemble Group
Reevaluation of inventories	1.5
Impact on deferred taxes	(0.5)
Reevaluation at 31 October 2013	**1.0**
Goodwill at 31 December 2012	2.6
Reevalued goodwill at 31 October 2013	**3.6**

Val de Loire PL's acquisition of "Station technique Auto" and "Station Technique Auto Carrosserie"

On 31 July 2012, the Group acquired 100% of Station Technique Auto's shares, which in turn fully owns the operational subsidiary Station Technique Auto Carrosserie.

These companies are located in the French department Indre-et-Loire. They generate annual revenue of approximately €3.8 million and employ approximately 30 people. The acquisition price was €3.1 million. The cash contributed by these companies was €1.1 million.

The goodwill arising from the allocation of the purchase price was €1.4 million.

6.2.2. Incorporation of companies

No companies were incorporated during the ten-month period ended 31 October 2012.

6.2.3. Mergers within the Group

Transfer of all the assets and liabilities of APS Saillard and Comptoir Vitryat to Gadest

These companies, acquired in 2011, were combined with Gadest in the ten-month period ended 31 October 2012.

Transfer of all the assets and liabilities of SIA, Teulat, JP.David and J.David to AD Bassin Parisien-Nord

These companies, acquired in 2011, were combined with AD Bassin Parisien-Nord in the ten-month period ended 31 October 2012.

None of these transactions listed above has any effect on the Interim Financial Statements.

6.2.4. Disposals

The Group did not dispose of any of its entities for the ten-month period ended 31 October 2012.

In August 2012, the Group entered into discussions with Giadi Group regarding the sale of Parts Holding Italy ("PHI") and its operating subsidiary Autodis Italy (ADIT) (see Note 6.1.4). As a result, all the Italian operations were deemed to be discontinued at 31 October 2012. Income from these entities is presented in the item "Net income (loss) from discontinued operations" for the ten-month period ended 31 October 2012.

7. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Executive Committee that makes strategic decisions.

The Executive Committee considers the business from the following 6 operating segments — Central Purchasing Unit (Including Logisteo and Digital Aftermarket), the Light Vehicles, the Heavy Vehicles, Cora, Bremstar and International (Poland). Holdings activities and corporate functions are not allocated to the segments but rather reported under "Other". A short description of each operating segment is provided below:

Central Puchasing Unit (Including Logisteo and Digital Aftermarket): The Group's distribution system is organized around a central purchasing department, which purchases spare parts for light and heavy vehicles from its suppliers and sells these spare parts to both wholly-owned distributors and independent affiliated distributors. Such reporting segment includes:

- Logisteo — Central warehouse from which spare parts for light vehicles are distributed
- Digital Aftermarket — Online business-to-end customer platform

Cora: Cora operating segment relates to light vehicles spare parts distributors;

Bremstar: Bremstar operating segment relates to truck spare parts distributors;

Light Vehicles: Light Vehicles operating segment relates to our French wholly-owned distributors that sell spare parts for light vehicles to garage and provide car repair and maintenance services.

Heavy Vehicles: Heavy Vehicles operating segment relates to our French wholly-owned distributors that sell spare parts for heavy vehicles to garages and provide truck repair and maintenance services.

International: International operating segment relates to operations in Poland through Autodistribution Polska.

Segment revenue for the ten-month period ended 31 October 2013 and 31 October 2012 were as follows:

			2013 10 months
In millions of euros	**Total revenue**	**Revenue inter-segment**	**Revenue third parties**
Central Purchasing Unit[1]	477.8	300.5	177.4
Cora	61.0	38.2	22.8
Bremstar	19.6	7.9	11.7
Light Vehicles	566.9	2.7	564.2
Heavy Vehicles	81.6	0.1	81.4
International	94.7	—	94.7
Revenue	**1,301.6**	**349.4**	**952.2**

[1] Including Logisteo and Digital Aftermarket

In millions of euros	2012 10 months Total revenue	Revenue inter-segment	Revenue third parties
Central Purchasing Unit(1)	467.9	290.3	177.6
Cora	52.2	30.3	21.9
Bremstar	14.7	5.7	9.1
Light Vehicles	557.3	4.4	552.9
Heavy Vehicles	55.8	0.1	55.6
International	90.2	(0.0)	90.2
Revenue	**1,238.1**	**330.7**	**907.3**

(1) Including Logisteo and Digital Aftermarket

Segment EBITDA for the ten-month period ended 31 October 2013 and 31 October 2012 were as follows:

In millions of euros	2013 10 months	2012 10 months
Central Purchasing Unit(1)	22.0	20.6
Cora	5.6	5.0
Bremstar	1.2	0.4
Light Vehicles	19.1	19.0
Heavy Vehicles	(1.0)	(0.0)
International	1.5	(1.1)
Holding	0.1	(1.3)
EBITDA	**48.5**	**42.6**

(1) Including Logisteo and Digital Aftermarket

8. Income and expenses

8.1. Revenue

In millions of euros	2013 10 months	2012 10 months
Sales of goods held for resale	901.1	865.3
Rendering of services	51.1	42.0
Revenue	**952.2**	**907.3**

8.2. Personnel costs

In millions of euros	2013 10 months	2012 10 months
Wages	(143.3)	(131.0)
Social security contributions(*)	(52.3)	(50.3)
Profit-sharing plans	(2.0)	(1.7)
Pension costs	(0.3)	(0.2)
Personnel costs	**(197.9)**	**(183.2)**

(*) Including a credit of € 4 million related to CICE.

In France, the amending Finance Law for 2012 introduced a new tax credit: *Crédit d'Impôt pour la Compétitivité et l'Emploi* (CICE), which effect from 1 January 2013. It is calculated on the basis of certain salaries paid to employees in French companies and is paid by the French State irrespective of the entity's situation as regards corporate income tax. It does not fall within the scope of IAS 12 "Income taxes". The CICE is recognized as a deduction from personnel costs within consolidated operating income and represented income of €4.0 million for the ten-month period ended 31 October 2013.

The Group's workforce at the periods end is as follows:

Number of employees	31 Oct. 2013	31 Dec. 2012
Total workforce	**6,338**	**6,372**

8.3. Other purchases and external expenses

In millions of euros	2013 10 months	2012 10 months
Rental expenses	(33.6)	(31.4)
Shipping expenses	(33.1)	(33.0)
Maintenance and repairs	(10.7)	(10.2)
Legal and other fees	(5.7)	(6.4)
IT expenses	(4.9)	(5.0)
Advertising expenses	(1.9)	(2.4)
Subcontracting	(4.2)	(3.8)
Travelling expenses	(2.7)	(2.7)
Other expenses	(7.8)	(7.0)
Other purchases and external expenses	**(104.5)**	**(101.9)**

8.4. Other operating income and expenses

In millions of euros	2013 10 months	2012 10 months
Net (allocation to)/reversal of impairment of receivables	(1.4)	0.4
Net (allocation to)/reversal of current provisions for liabilities	0.0	(0.1)
Other	2.7	2.4
Other operating income and expenses	**1.3**	**2.7**

8.5. Other income and expenses from operations

"Recurring Operating Income" is defined as the Group operating income excluding other income and expenses from operations. Other income and expense is defined under Recommendation 2009-R.03 of the French CNC, and comprises significant items that, because of their exceptional nature, cannot be viewed as inherent to current activities. These mainly include capital gains and losses on disposals of fully consolidated companies, impairment charges on goodwill, significant costs related to strategic restructuring and major external growth transactions, and costs related to major litigation.

Other income from operations could be detailed as follows:

In millions of euros	2013 10 months	2012 10 months
Gains on the disposal of property, plant and equipment and intangible assets	2.1	0.4
Gains on scrapping and disposals of risky inventory	0.1	0.1
Reversal of provision for risk	0.5	1.8
Reversal of impairment on fixed assets of Polish entities	2.9	—
Other income	0.5	0.2
Other income from operations	**6.1**	**2.5**

Following the results of the impairment test on Poland CGU, a reversal of impairment on property, plant and equipment and intangible assets was recorded at 31 October 2013 (see Note 3.3).

Other expenses from operations could be detailed as follows:

In millions of euros	2013 10 months	2012 10 months
Disposal of property, plant and equipment and intangible assets	(0.9)	(0.8)
Impairment on fixed assets of Polish entities	—	(0.2)
Allocation to provisions and expenses for restructuring, and employee and tax disputes	(0.4)	(0.8)
Other expenses	(6.7)	(3.4)
Other expenses from operations	**(8.0)**	**(5.2)**

8.6. Financial income

In millions of euros	2013 10 months	2012 10 months
Income from financial investments	0.2	0.6
Foreign exchange gains	0.1	0.8
Gains on the disposal of financial assets	0.0	0.1
Sup Bonds fair value adjustment	12.4	—
Other financial income	0.0	0.0
Total financial income	**12.8**	**1.5**

8.7. Financial expenses

In millions of euros	2013 10 months	2012 10 months
Cost of external loans and bank overdrafts	(3.6)	(5.0)
Discounting of borrowings and debt	(2.5)	(3.1)
Expenses related to financial instruments	(0.2)	(0.0)
Financial expenses on finance leases	(0.0)	(0.1)
Foreign exchange losses	(0.4)	(0.0)
Other financial expenses	(0.9)	(0.7)
Total financial expenses	**(7.6)**	**(8.9)**

8.8. Income tax

The Group opted for tax consolidation in France. This option concerns all the Group's French subsidiaries, included FPLS since 1 January 2013, with the exception of non-material ones and Enssemble. Income tax expense for the ten-month periods ended 31 October 2013 and 31 October 2012 is recognized based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

The income tax for the reference ten-month periods ended 31 October is as follows:

In millions of euros	2013 10 months	2012 10 months
Current tax expense	(2.6)	(0.4)
Deferred tax income (expense)	1.6	(2.6)
Company Value-Added Contribution (CVAE)	(4.4)	(3.8)
Income tax	**(5.4)**	**(6.8)**

9. Dividends paid and proposed

No dividends were paid nor proposed during the reference ten-month periods ended 31 October 2013 and 31 October 2012.

10. Goodwill

10.1. Analysis of changes in gross value and goodwill impairment

In millions of euros	Gross value	Impairment	Net value
At 1 January 2013	**388.9**	**(379.7)**	**9.2**
Business combinations	8.4	—	8.4
Disposals	—	—	—
Impairment for the period	—	—	—
Foreign exchange gains (losses)	(0.9)	0.9	—
At 31 October 2013	**396.4**	**(378.8)**	**17.6**

The main changes result from the following operations:

- The acquisition of FPLS group generated goodwill of €6.0 million (see Note 6.1.1); which has been allocated to Heavy Vehicles operating segment for €3.9 million and to Bremstar operating segment for €2.1 million.
- The acquisition of RPDC group generated goodwill of €2.0 million (see Note 6.1.1); which has been allocated to Light Vehicle operating segment.
- The acquisition of Comptoir AutoMarine Industrie generated goodwill of €0.4 million (see Note 6.1.1); which has been allocated to Light Vehicles operating segment.

10.2. Impairment tests

Impairment tests on goodwill were carried out in accordance with the methodology set out in Note 3.3.8 of the consolidated financial statements for the year ended 31 December 2012. In connection with the application of IFRS 8 "Segment Reporting" referred to above, the Group carried out impairment test on goodwill. Following such review no impairment provision has been recorded on goodwill and other non-financial assets with the exception of Poland CGU.

11. Intangible assets

In millions of euros	Software and licences	AD brand	Other	Total
Gross value				
At 1 January 2013	**57.1**	**156.9**	**0.6**	**214.6**
Acquisitions	4.7	—	0.1	**4.8**
Reclassification	0.1	—	(0.1)	**0.0**
Disposals	(0.3)	—	(0.0)	**(0.3)**
Business combinations	0.0	—	(0.0)	**(0.0)**
Foreign exchange gains (losses)	(0.1)	—	0.0	**(0.1)**
At 31 October 2013	**61.5**	**156.9**	**0.6**	**219.0**
Amortisation/impairment				
At 1 January 2013	**50.3**	**21.9**	**0.4**	**72.6**
Amortisation	4.2	—	0.0	**4.2**
Impairment	—	—	—	**—**
Reclassification	0.1	—	(0.1)	**0.0**
Reversals of impairment loss	(0.6)	—	(0.0)	**(0.6)**
Business combinations	0.0	—	0.1	**0.1**
Foreign exchange gains (losses)	(0.1)	—	0.0	**(0.1)**
At 31 October 2013	**53.8**	**21.9**	**0.4**	**76.2**
Net value				
At 1 January 2013	6.8	135.0	0.2	142.0
At 31 October 2013	**7.7**	**135.0**	**0.2**	**142.9**

12. Property, plant and equipment

In millions of euros	Land	Property and fixtures	Technical fittings	Vehicles	IT equipment	Furniture	Assets under construction	Total
Gross value								
At 1 January 2013	**5.1**	**83.0**	**44.7**	**13.0**	**21.0**	**4.6**	**0.2**	**171.5**
Acquisitions	0.0	4.0	1.7	0.9	1.3	0.1	0.6	**8.7**
Reclassification	—	(0.8)	(1.0)	(0.2)	0.0	(0.1)	(0.4)	**(2.3)**
Disposals	—	(4.0)	(2.1)	(1.6)	(0.1)	(0.0)	—	**(7.9)**
Business combinations	0.0	3.8	3.1	0.3	0.4	(0.1)	(0.0)	**7.6**
Foreign exchange gains (losses)	(0.0)	(0.0)	(0.2)	(0.0)	(0.1)	(0.0)	(0.0)	**(0.3)**
At 31 October 2013	**5.1**	**86.0**	**46.1**	**12.4**	**22.5**	**4.5**	**0.5**	**177.2**
Depreciation/impairment								
At 1 January 2013	**0.9**	**56.8**	**37.2**	**9.5**	**17.6**	**4.0**	**0.0**	**126.0**
Depreciation	0.0	4.4	2.4	1.1	1.3	0.2	—	**9.4**
Disposals	—	(3.4)	(2.0)	(1.5)	(0.1)	(0.0)	—	**(7.0)**
Reclassification	—	(0.9)	(1.1)	(0.2)	(0.0)	(0.0)	—	**(2.3)**
Reversal(*)	(0.2)	(0.2)	(1.3)	(0.0)	(0.5)	(0.3)	(0.0)	**(2.5)**
Business combinations	0.0	3.1	2.7	0.3	0.4	(0.1)	(0.0)	**6.4**
Foreign exchange gain or loss	(0.0)	(0.0)	(0.2)	(0.0)	(0.1)	(0.0)	(0.0)	**(0.3)**
At 31 October 2013	**0.7**	**59.9**	**37.6**	**9.3**	**18.5**	**3.7**	**0.0**	**129.7**
Net value								
At 31 December 2012	4.2	26.2	7.5	3.5	3.4	0.6	0.2	45.6
At 31 October 2013	**4.4**	**26.2**	**8.5**	**3.2**	**3.9**	**0.8**	**0.5**	**47.6**

(*) Including impairment reversal on Poland

13. Other non-current assets

In millions of euros	Receivables from controlled entities	Loans	Guarantees and deposits	Other	Total
Gross value					
At 1 January 2013	**0.0**	**1.6**	**6.8**	**3.7**	**12.1**
Acquisitions(A)	—	6.1	0.2	0.1	**6.4**
Reclassification(B)	—	0.0	(0.0)	(3.3)	**(3.3)**
Disposals	—	(0.5)	(0.3)	—	**(0.8)**
Business acquisitions(C)	0.0	—	2.1	0.0	**2.1**
At 31 October 2013	**0.0**	**7.2**	**8.8**	**0.5**	**16.5**
Amortisation, depreciation and impairment	—	—	—	—	—
Net value at 31 October 2013	**0.0**	**7.2**	**8.8**	**0.5**	**16.5**

(A) The €6.1 million listed under "Loans" includes a loan of €4.8 million granted to Parts Holdings Italy acquired by Giadi on 30 April 2013. Such loan was previously considered intercompany loan.

(B) The €3.3 million listed under "Other" corresponds to the reclassification of FPLS shares paid on 31 December 2012 which were not consolidated in the Group's financial statements at 31 December 2012 as the group started consolidating FPLS on 1 January 2013.

(C) The €2.1 million listed under "Guarantees and deposits" mainly corresponds to the triggering of the vendor's liability guarantee agreed at the time of the acquisition of FPLS.

14. Inventories

In millions of euros	31 Oct. 2013	31 Dec. 2012
Gross value	212.1	196.6
Impairment	(23.2)	(21.5)
Net value	**188.9**	**175.1**

15. Trade and other receivables

In millions of euros	31 Oct. 2013	31 Dec. 2012
Trade receivables	210.1	174.6
Discounts, rebates and refunds	(13.5)	(16.2)
Impairment	(12.1)	(10.5)
Net value	**184.5**	**147.9**

The Autodistribution group entered into a factoring agreement with Eurofactor for a total of €35.0 million. There is no offsetting effect of the factoring agreement in the consolidated financial statements.

At 31 October 2013, the balance of drawdowns stood at €10.2 million and the fair value of the receivables transferred stood at €30.2 million.

At 31 October 2013, the analysis of receivables past due but not impaired is summarised as follows:

			Trade receivables past due				
In millions of euros	Total	Not yet due	Less than 30 days	Between 30 and 60 days	Between 60 and 90 days	Between 90 and 120 days	More than 120 days
Trade receivables	210.1	188.3	5.7	1.9	0.9	1.0	12.3
DRR(*)	(13.5)						
Impairment	(12.1)						
Total	**184.5**	**188.3**	**5.7**	**1.9**	**0.9**	**1.0**	**12.3**

(*) Discounts, rebates and refunds

At 31 October 2013, impairment relates primarily to trade receivables past due.

At 31 December 2012, the analysis of receivables past due but not impaired was:

			Trade receivables past due				
In millions of euros	Total	Not yet due	Less than 30 days	Between 30 and 60 days	Between 60 and 90 days	Between 90 and 120 days	More than 120 days
Trade receivables	174.6	158.4	7.5	3.3	1.1	0.5	3.8
DRR(*)	(16.2)						
Impairment	(10.5)						
Total	**147.9**	**158.4**	**7.5**	**3.3**	**1.1**	**0.5**	**3.8**

(*) Discounts, rebates and refunds

Changes in impairment of trade and other receivables can be broken down as follows:

In millions of euros	Trade receivables	Other receivables
Balance at 1 January 2013	**10.5**	**0.1**
Allocation	4.0	—
Reversal	(2.6)	(0.1)
Changes in scope	0.3	—
Reclassifications	(0.1)	—
Balance at 31 October 2013	**12.1**	**0.0**

16. Other currents assets

In millions of euros	31 Oct. 2013	31 Dec. 2012
Prepaid income	8.9	7.4
Other receivables	0.4	0.1
Accrued income	1.6	1.9
Other	1.2	0.2
Total	**12.1**	**9.6**

17. Cash and cash equivalents

In millions of euros	31 Oct. 2013	31 Dec. 2012
Cash equivalents	17.0	46.0
Cash on hand and at bank	3.2	12.2
Restricted cash	2.0	0.2
Total	**22.2**	**58.4**

Cash equivalents include Caisse d'Epargne term accounts for €0.2 million and open-ended collective investment scheme (SICAV) taken out with Amundi and BNPP for €16.8 million. These investments meet the cash equivalent criteria.

For the purposes of the condensed interim consolidated statement of cash flows, the heading "Cash and cash equivalents" includes the following items at 31 October 2013:

In millions of euros	31 Oct. 2013	31 Dec. 2012
Cash equivalents	17.0	46.0
Cash on hand and at bank	3.2	12.2
Restricted cash	2.0	0.2
Bank overdrafts	(10.5)	(8.3)
Net cash	**11.7**	**50.1**

18. Issued capital and reserves

Parts Holdings France S.A.S was incorporated on 18 January 2006 via a fully paid-up cash subscription of €37,000. In connection with the acquisition of the Autodis Group, its capital was increased on 1 March 2006 by a cash contribution of €55,900,00 and on 23 June 2006 by inclusion of a shareholder current account of €1,100,000, thereby bringing it to €57,037,000. As a result of refinancing on 21 April 2009, the capital increased to €152,598,261. The company is wholly owned by Parts Holdings Coöperatief U.A.

At 31 October 2013, it consists of 152,598,261 non-dilutive registered shares of €1 each. This number of shares is used for the computation of the basic and diluted earnings per share. No preference shares were issued. There was no change in the number of shares between 31 December 2012 and 31 October 2013.

19. Presentation of financial assets and liabilities

At 31 October 2013:

In millions of euros	Assets/liabilities at fair value	Assets/ liabilities at amortised cost	Available-for-sale assets at fair value	Total net book value	Total fair value
Available for sale financial assets	—	—	0.3	0.3	0.3
Other net non-current assets	—	16.5	—	16.5	16.5
Trade receivables	—	184.5	—	184.5	184.5
Other current assets	—	12.1	—	12.1	12.1
Cash and cash equivalents	16.8	5.4	—	22.2	22.2
Derivative financial instruments	—	—	—	—	—
Financial assets	**16.8**	**218.5**	**0.3**	**235.6**	**235.6**
Borrowings and debt (current and non-current)	10.4	170.8	—	181.2	181.2
Trade payables	—	163.6	—	163.6	163.6
Other non-current liabilities	—	3.4	—	3.4	3.4
Other current liabilities(1)	—	8.5	—	8.5	8.5
Derivative financial instruments	—	—	—	—	—
Financial liabilities	**10.4**	**346.3**	**—**	**356.7**	**356.7**

(1) excluding tax and social security liabilities outside the scope of IAS 39.

At 31 December 2012:

In millions of euros	Assets/liabilities at fair value	Assets/ liabilities at amortised cost	Available-for-sale assets at fair value	Total net book value	Total fair value
Available for sale financial assets	—	—	0.3	0.3	0.3
Other net non-current assets	—	12.0	—	12.0	12.0
Trade receivables	—	147.9	—	147.9	147.9
Other current assets	—	9.6	—	9.6	9.6
Cash and cash equivalents	45.7	12.7	—	58.4	58.4
Derivative financial instruments	—	—	—	—	
Financial assets	**45.7**	**182.2**	**0.3**	**228.2**	**228.2**
Borrowings and debt (current and non-current)	22.0	183.5	—	205.5	205.5
Trade payables	—	138.0	—	138.0	138.0
Other non-current liabilities	—	4.4	—	4.4	4.4
Other current liabilities(1)	—	6.5	—	6.5	6.5
Derivative financial instruments	—	—	—	—	
Financial liabilities	**22.0**	**332.4**	**—**	**354.4**	**354.4**

(1) excluding tax and social security liabilities outside the scope of IAS 39.

20. Borrowings and debt

20.1. Group financing

For the ten-month period ended 31 October 2013, Group financing can be broken down as follows: The Group has four interest-free loans:

Type of borrowings and debt	Nominal value (in € million)	Fair value at 31 Oct. 2013 (in € million)	Value at amortised costs at 31 Oct. 2013 (in € million)	Variable interest rate	Margin on variable interest rate	Maturity	Comments
PH free shareholder loan	50.0	44.6	44.6	—	—	April 2060	Fully underwritten
Sup Bonds	25.5	10.4		—	—	April 2017	Fully underwritten
EP bonds	2.6	2.3	2.3	—	—	April 2017	Fully underwritten
Promissory note	5.0	4.5	4.5	—	—	April 2017	Fully underwritten
Total	**83.1**	**61.8**	**51.4**				

In accordance with IAS 32 "Financial instruments: presentation" and IAS 39 "Financial instruments: recognition and measurement", the interest-free loans have been discounted since 2009 with a repayment assumption in April 2014. At 31 December 2012, this assumption was extended to April 2017 generating a change in fair value of €10.0 million recorded in equity as the transaction was between shareholders.

On April 1 2009 the Group issued 25,500,000 subordinated bonds ("Sup Bonds") which are contingent value instruments with a nominal value of 1€ each in a total principal amount of 25.5 million. Sup Bonds do not bear interest and expire on April 21, 2017.

The Sup Bonds are payable only in the event of distributions of the Group that would result in Towerbook, Investcorp and their respective affiliates (the "Group shareholders") receiving more than three times their aggregate investment between the issue date of these contingent value instruments and the date of such distributions by April 21, 2017.

Such redemption shall be in an amount equal to a two-step portion of the excess amount between the aggregate amount received by the Group shareholders and three times their aggregate investment, up to a maximum amount equal, in any event, to their outstanding principal amount (i.e. €25.5 millions).

As of 31 October, 2013, the Group carried out a review of the measurement of the Sup Bonds based on current projections (Business plan and net debt) and related estimated equity value of the Group. Following this review, the Group decreased the value of the Sup Bonds from €22 million at 31 December 2012 to €10.4 million. As the measurement of this contingent value instruments depends on unobservable inputs and on a range of projections that were not previously available the related impact has been recorded through financial income of the ten months ended October 31, 2013, as it was impracticable to allocate, as applicable, a portion of such decrease in value to earlier periods.

The most sensitive assumptions relating to this fair value measurement are the timing of the distributions to the Group shareholders considering the April 21, 2017 expiration of the Sup Bonds and the impact of acquisitions / external growth on the projected EBITDA.

A 10% increase in EBITDA would increase the fair value of the Sup Bonds by €3.2 million. A 10% decrease in EBITDA would decrease the fair value of the Sup Bonds by €5.4 million.

Other means of financing are listed below:

Type of borrowings and debt	Nominal value (in € million)	Value at 31 Oct. 2013 (in € million)	Interest eligible for capitalisation — April	Variable interest rate(1)	Margin on variable interest rate	Maturity	Comments
PH senior equity loan	30.0	8.8	8.0%	—	—	April 2018	Fully underwritten
Refinancing term facility loan	81.1	64.3	—	Euribor	2.75%	April 2016	Fully underwritten
Corporate purposes term facility	23.4	18.6	—	Euribor	2.75%	April 2016	Fully underwritten

(1) Euribor 1, 2, 3 or 6 months depending on the term of the drawing period

On June 30, 2013 the group repaid in advance a total of €15 million. This early repayment could be detailed as follows:

In millions of euros	
PH senior equity loan	10.0
Refinancing term facility loan	3.9
Corporate purposes term facility	1.1
Total	**15.0**

20.2. Breakdown of borrowings and debt by type

In millions of euros	Notes	31 Oct. 2013	31 Dec. 2012
Non-current			
Corporate purposes term facility		16.3	19.4
Promissory note		4.5	4.3
Refinancing term facility loan		56.4	67.0
PH senior equity loan		—	8.4
PH free shareholder loan		44.6	43.2
Sup bonds		10.4	22.0
EP bonds		2.3	2.3
Amounts owed under finance leases (more than one year)	*(1)*	0.0	0.2
Other borrowings and accrued interests	*(2)*	1.5	0.9
Sub-total of non current borrowings and debt		**136.0**	**167.7**
Current			
Corporate purposes term facility		2.2	1.8
Refinancing term facility loan		7.9	6.3
PH senior equity loan		9.3	10.0
Value of put option held by minority shareholders		3.9	3.9
Amounts owed under finance leases (less than one year)	*(1)*	0.2	0.1
Other borrowings (less than one year)	*(2)*	0.9	0.8
Eurofactor factoring		10.2	6.6
Bank overdrafts	*(3)*	10.6	8.3
Sub-total of current borrowings and debt		**45.2**	**37.8**
Total borrowings and debt		**181.2**	**205.5**

(1) Amounts owed under finance lease are the result of leases and sale and leaseback agreements for financing the purchase of vehicles and certain investments in real estate, IT and furniture.

(2) Borrowings and debt incurred by some of the Group's subsidiaries.

(3) Bank overdrafts used by the subsidiaries in Poland and liabilities bank account debit balances resulting from standard time lags between recording date for banking purposes and entry dates in the accounts.

Bond issues

The balance of bond issues at 31 October 2013 is broken down below:

Bond issue	Value at issue date (in € million)	Fair value at 31 Oct. 2013 (in € million)	Value at amortised costs at 31 Oct. 2013 (in € million)	Including interest eligible for capitalisation	Including accrued interest eligible for capitalisation	Including accrued interest payable
SUP bonds	25.5	10.4		—	—	—
EP bonds	2.6	2.3	2.3	—	—	—

Bank overdrafts

Interest on bank overdrafts used by the Group and its subsidiaries is charged at market rates. At 31 October 2013, the Group had available credit line of €63.4 million as follows:

	Conditions	Drawdowns
Poland — Pekao Bank	PLN 24.0 million (i.e., €5.7 million at 31 October 2013) at 1-month Wibor +1.70%	Partial drawdown of PLN 22.3 million (i.e., €5.3 million)
BNPP — Ancillary facility	€2.9 million at 1, 2, 3 or 6-month Euribor +2.75%	Not drawn
Eurofactor AD and Gadso factoring	€35.0 million at 3-month Euribor +0.90%	Partial drawdown of €10.2 million
LCL Dailly	€15.0 million at 1-month Euribor +1.60%	Not drawn
Enssemble group — SG, BP, HSBC, BNP	Overdrafts: €3.0 million	Partial drawdown of €1.7 million
FPLS — LCL, BPO, CE, Arkea	Overdrafts: €1.8 million	Drawdown of €1.9 million
FPLS — Factoring Natixis	€1.85 million at 3-month Euribor +1.90% (factoring line closed at the beginning of October 2013)	Partial drawdown of €1.7 million

20.3. Breakdown of non-current borrowings and debt by maturity

The amounts below include contractual cash flows net of projected repayments plus interest payable.

At 31 October 2013

	Interest payment				Gross repayments				
In millions of euros	**Less than 1 year**	**Between 1 and 5 years**	**More than 5 years**	**Total**	**Less than 1 year**	**Between 1 and 5 years**	**More than 5 years**	**Total**	
Corporate purposes term facility	0.6	1.0	—	**1.6**	2.3	16.3	—	**18.6**	**20.1**
Promissory note	—	—	—	—	—	5.0	—	**5.0**	**5.0**
Refinancing term facility loan	2.2	3.2	—	**5.4**	7.9	56.4	—	**64.3**	**69.7**
PH senior equity loan	0.2	—	—	**0.2**	9.7	—	—	**9.7**	**9.8**
PH free shareholder loan	—	—	—	—	—	—	50.0	**50.0**	**50.0**
Sup bonds	—	—	—	—	—	10.4	—	**10.4**	**10.4**
EP bonds	—	—	—	—	—	2.6	—	**2.6**	**2.6**
Amounts owed under finance leases	—	—	—	—	0.2	0.0	—	**0.2**	**0.2**
Other borrowings and accrued interests	—	—	—	—	0.9	1.2	—	**2.1**	**2.1**
Total non-current borrowings and debt	**3.0**	**4.2**	—	**7.1**	**20.9**	**91.9**	**50.0**	**162.8**	**170.0**

At 31 December 2012

	Interest payment				Gross repayments				
In millions of euros	**Less than 1 year**	**Between 1 and 5 years**	**More than 5 years**	**Total**	**Less than 1 year**	**Between 1 and 5 years**	**More than 5 years**	**Total**	
Corporate purposes term facility	0.9	1.7	—	**2.6**	1.8	19.4	—	**21.2**	**23.8**
Promissory note	—	—	—	—	—	5.0	—	**5.0**	**5.0**
Refinancing term facility loan	3.0	6.0	—	**9.0**	6.3	67.0	—	**73.3**	**82.3**
PH senior equity loan	—	2.4	—	**2.4**	10.0	7.3	—	**17.3**	**19.7**
PH free shareholder loan	—	—	—	—	—	—	50.0	**50.0**	**50.0**
Sup bonds	—	—	—	—	—	25.5	—	**25.5**	**25.5**
EP bonds	—	—	—	—	—	2.6	—	**2.6**	**2.6**
Amounts owed under finance leases	—	—	—	—	0.2	0.2	—	**0.4**	**0.4**
Other borrowings and accrued interests	—	—	—	—	0.6	0.9	—	**1.5**	**1.5**
Total non-current borrowings and debt	**3.9**	**10.1**	—	**14.0**	**18.9**	**127.9**	**50.0**	**196.8**	**210.8**

21. Liabilities relating to employee benefits

As of 31 October 2013, the major Group's defined benefit plan obligations were re-measured based on the amendment to IAS 19 Revised (See Note 3). Discount rate remains unchanged compared to those in effect as of 31 December 2012 disclosed in the annual consolidated financial statements for the year 2012 (Note 22.3).

The net benefit expense recognized in the interim consolidated income statement for the ten-month period ended 31 October 2013 has been determined based on a pro rata of net benefit expense projected as of December 31, 2012 and using assumptions as of such date. Such net benefit expense breaks down as follows:

In millions of euros	2013 10 months	2012 10 months
Service cost	(0.8)	(0.7)
Discounting cost	(0.3)	(0.5)
Total	**(1.1)**	**(1.2)**

The total charge was included in "Personnel costs".

The movement in the defined benefit obligation recognized in the interim consolidated statement of financial position over the ten-month period ended 31 October 2013 is as follows:

	Defined benefit obligation
At 1 January 2013 *(restated)*	16.2
Service cost	0.8
Discounting cost	0.3
Benefits paid by the fund	(0.4)
Change in scope	0.0
At 31 October 2013	**16.9**

22. Current and non-current provisions

22.1. Current provisions

Current provisions have changed as follows:

In millions of euros	At 1 January 2013	Business combinations	Reclassifications	Allocations	Reversals (used provisions)	Reversals (surplus provisions)	Total reversals	At 31 October 2013
Industrial disputes	**2.0**	—	—	0.7	(0.8)	(0.1)	(0.9)	1.8
Site closures	**1.7**	—	1.1	0.1	(1.2)	—	(1.2)	1.7
Repairs — major work	**0.8**	—	—	—	—	—	—	0.8
Tax risk	**2.1**	2.1	—	—	—	—	—	4.2
Supplier disputes	**0.3**	—	—	0.1	—	—	—	0.4
Customer disputes	**0.5**	—	—	—	(0.0)	(0.1)	(0.1)	0.4
Other provisions	**0.8**	2.1	—	0.4	(0.5)	(0.1)	(0.6)	2.7
Total	**8.2**	**4.2**	**1.1**	**1.3**	**(2.5)**	**(0.3)**	**(2.8)**	**12.0**

In the ordinary course of its operations, the Group may be involved in legal procedures relating to industrial relations disputes, commercial disputes, etc. In these cases, in conjunction with its legal advisors, the Group analyses the circumstances of the dispute and assesses the probability of an outflow of resources.

For the ten-month period ended 31 October 2013, the balance of €4.2 million listed under "Business combinations" corresponds to contingent liabilities recorded at the time of the provisional purchase price allocation for FPLS Group. These contingent liabilities are partly offset by a vendor's liability guarantee for a total amount of €2.0 million (see Note 13).

22.2. Non-current provisions

Movements in non-current provisions were as follows:

In millions of euros	At 1 January 2013	Business combinations	Reclassifications	Allocations	Reversals (used provisions)	Reversals (surplus provisions)	Total reversals	At 31 October 2013
Site closures	**4.8**		(1.1)				—	**3.7**
Total	**4.8**	—	**(1.1)**	—	—	—	—	**3.7**

For the ten-month period ended 31 October 2013, the non-current provision for site closures relates to the closure of Moissy Cramayel's Builbing B at Logisteo, explained in Note 6.6 of the annual consolidated financial statement for the year ended 31 December 2012.

23. Trade payables and other current liabilities

In millions of euros	31 Oct. 2013	31 Dec. 2012
Trade payables	**163.6**	**138.0**
Other current liabilities		
Tax and social security liabilities, employees	44.1	51.8
Employee profit-sharing (current)	1.0	1.2
Other payables	3.7	2.8
Prepaid income	3.8	2.5
Sub-total	**52.6**	**58.4**
Total	**216.2**	**196.4**

24. Scope of consolidation

At 31 October 2013, the scope of consolidation was as follows:

	Consolidation method	Country	% interest 31 Oct. 2013	% interest 31 Dec. 2012
Parts Holdings (France)	Parent	France	100	100
AD Bassin Parisien Nord	Full	France	99.99	99.99
Arnaudiès	Full	France	100	100
Auto Contrôle SARL (Enssemble group)	Full	France	100	100
Autodis	Full	France	100	100
Autodistribution SOGO	Full	France	99.95	99.95
Autodistribution	Full	France	100	100
AD Grand Ouest	Full	France	100	100
AD Normandie Maine	Full	France	79.40	79.40
ALES PL	Full	France	50.50	50.50
AM Développement	Full	France	100	100
Andrieu SARL (Enssemble group)	Full	France	100	100
Boury V.I.	Full	France	100	100
Bremstar	Full	France	100	100
Bugisy (Enssemble group)	Full	France	100	100
Busnengo	Full	France	99.98	99.98
Cofirhad	Full	France	100	100
Cogemad	Full	France	100	100
Comptoir Auto Marine Industrie	Full	France	100	
Comptoir du Frein	Full	France	100	100
Comptoir TechniquE V.I.	Full	France	100	100

	Consolidation method	Country	% interest 31 Oct. 2013	% interest 31 Dec. 2012
Comptoir Technique du Limousin	Full	France	100	100
Comptoir V.I.	Full	France	50.50	50.50
Cora SAS	Full	France	100	100
Digital Aftermarket	Full	France	100	100
Etablissements Rembaud	Full	France	100	100
Enssemble SAS	Full	France	100	100
FIA	Full	France	100	100
FRA SARL (Enssemble group)	Full	France	100	100
Freinage Poids Lourds Services ELEC'AUTO (Group FPLS)	Full	France	100	
Freinage Poids Lourds Services 28 (Group FPLS)	Full	France	100	
Freinage Poids Lourds Services 29 (Group FPLS)	Full	France	100	
Freinage Poids Lourds Services 35 (Group FPLS)	Full	France	100	
Freinage Poids Lourds Services 44 (Group FPLS)	Full	France	100	
Freinage Poids Lourds Services 49 (Group FPLS)	Full	France	100	
Freinage Poids Lourds Services 56 (Group FPLS)	Full	France	100	
Freinage Poids Lourds Services 61 (Group FPLS)	Full	France	100	
Freinage Poids Lourds Services 72 (Group FPLS)	Full	France	100	
Freinage Poids Lourds Services 85 (Group FPLS)	Full	France	100	
Freinage Poids Lourds Services 86 (Group FPLS)	Full	France	100	
Freinage Poids Lourds Services FOUGERES (Group FPLS)	Full	France	100	
Freinage Poids Lourds Services LORIENT (Group FPLS)	Full	France	100	
Freinage Poids Lourds Services PONTIVY (Group FPLS)	Full	France	100	
Freinage Poids Lourds Services ROME (Group FPLS)	Full	France	100	
Freinage Poids Lourds Services VITRE (Group FPLS)	Full	France	100	
Gadca	Full	France	100	100
Gadest	Full	France	100	100
Gadso	Full	France	100	100
Gibelin	Full	France	99.92	99.92
Girde	Full	France	100	100
Group FPLS	Full	France	100	
H.I.S.	Full	France	100	100
Immax	Full	France	100	100
Lilcolor	Full	France	100	
Logisteo	Full	France	100	100
Lorat SCI (Enssemble group)	Full	France	100	100
Magenta Autos Pièces	Full	France	99.97	99.97
Malinge Chevalier[(2)]	Full	France		79.40

	Consolidation method	Country	% interest 31 Oct. 2013	% interest 31 Dec. 2012
PAM	Full	Belgium	100	100
PAO	Full	Belgium	100	100
PAPL (Enssemble group)	Full	France	100	100
Plateforme Technique Nationale Montajault	Full	France	100	100
Porteret et Gobillot (Enssemble group)	Full	France	100	100
RDPC [(1)]	Full	France		
RM DISTRIBUTION (Group FPLS)	Full	France	100	
SDFM	Full	France	100	100
Sofar	Full	France	75.00	75.00
Station Technique Auto[(3)]	Full	France		100
Station Technique Auto Carrosserie	Full	France	100	100
Sylmart Belgium	Full	Belgium	100	100
Synimalau SCI (Enssemble group)	Full	France	100	100
TC26	Full	France	100	100
Truck & Car Services	Full	France	100	100
Val de Loire PL	Full	France	100	100
AD Polska	Full	Poland	100	100
AD Polska Aftermarket	Full	Poland	100	100
Parts Distribuzione Italia	Equity method	Italy	18.16	90.82
Parts Holdings Italy	Equity method	Italy	20.00	100
AD International	Equity method	Belgium	20.00	20.00
Neoparts	Equity method	France	20.00	20.00

(1) The Group acquired RDPC on 31 January 2013 (See Note 3). All the assets and liabilities of RDPC were transferred to AD Bassin Parisien Nord in the ten-month period ended 31 October 2013.

(2) All the assets and liabilities of Malinge Chevalier were transferred to AD Normandie Maine in the ten-month period ended 31 October 2013.

(3) All the assets and liabilities of Station Technique Auto were transferred to Val de Loire PL in the ten-month period ended 31 October 2013.

25. Transactions with related parties

Relationship with the shareholder

The sole shareholder of Parts Holdings France is Parts Holdings BV. Parts Holdings BV, which is owned by Part Holdings Coöperatief U.A., finances the Group via the following loans: PH free shareholder loan and PH senior equity loan described in Note 20.1.

The Group pays management fees of €0.14 million per quarter to Parts Holdings Coop and €0.01 million per quarter to Parts Holdings BV.

26. Management compensation

The key management personnel of a group within the meaning of IAS 24 "related parties disclosures" are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

The Group's key management personnel are the members of Executive Committee, directors, area managers and general brand managers. Compensation recorded in PHF expenses for the ten-month periods ended 31 October 2013 and 31 October 2012 are set out in the table below:

In millions of euros	2013 10 months	2012 10 months
Basic salaries	5.5	5.7
Bonuses	0.7	0.7
Payroll costs (excl. paid leave and termination benefits)	2.4	2.7
Pensions, provision for paid leave and benefits in kind	—	—
Profit-sharing and incentive plans	0.1	—
Termination benefits	0.1	0.2
Net personnel costs	**8.8**	**9.2**

Moreover, no directors' fees have been paid or are due to be paid in respect of the ten-month period ended 31 October 2013.

27. Commitments

The Group commitments are the same as those disclosed in the annual consolidated financial statements for the year ended 31 December 2012.

It shall be noted, that the Group has not recorded any provision relating to Klarius France as management and its advisors are still considering that, in view of the facts of the case, there is still currently no likelihood of an outflow of resources. For information, Klarius France, a manufacturer of automobile spare parts in France, sued, in collective proceedings, Autodistribution and some of its subsidiaries before the French Commercial Court (Tribunal de Commerce) for the sudden termination of an established commercial relationship. Their claim is approximately €2.4 million.

28. Events after the end of the reporting period

28.1. Refinancing

In connection with the proposed international offering and listing of Autodis Secured Notes in early 2014 referred to under Note 3.2 above, the Group may consider using a portion of the proceeds from such offering for refinancing/early repayment of all or a portion of the following indebtedness:

- The €82.9 million Refinancing term facility loan and corporate purposes term facility, due on April 2016;
- The interest free €5.0 million promissory note issued by the Group, due on 21 April 2017 (the "Hedge Promissory Note");
- The interest free €2.6 million equity purchase bonds without warrant attached issued by the Group due on 21 April 2017 (The "EP Bonds");
- The €9.3 million Senior equity loan due in 21 April 2018; and
- The €50.0 million unsecured shareholders loan provided by PHF BV to the Group, due on 21 April 2060 (The "Interest Free Shareholder Loan")

Assuming a 100% early repayment of such financing as of 31 January 2014, the estimated related extinguishment of debt impact to be recorded would be € 5.8 million.

28.2. Acquisition in progress

The Group has recently made an outstanding offer to acquire the control of ACR Holding and has completed the acquisition of Rougon Queyrel for a provisional price of €7.6 million on 30 December 2013, both operating in the retail of automotive spare parts. Such acquisitions would impact, as applicable, the early retirement of certain non-current borrowings referred to under "Refinancing" above.

Parts Holdings (France) S.A.S.

Consolidated Financial Statements
31 December 2012

CONSTANTIN ASSOCIES
Member of Deloitte Touche Tohmatsu

ERNST & YOUNG et Autres

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the group's management report.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

Parts Holdings (France)

Year ended December 31, 2012

Statutory auditors' report
on the consolidated financial statements

CONSTANTIN ASSOCIES
Member of Deloitte Touche Tohmatsu
185, avenue Charles-de-Gaulle
92524 Neuilly-sur-Seine Cedex
S.A. au capital de € 831.000

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

ERNST & YOUNG et Autres
1/2, place des Saisons
92400 Courbevoie - Paris-La Défense 1
S.A.S. à capital variable

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

Parts Holdings (France)
Year ended December 31, 2012

Statutory auditors' report
on the consolidated financial statements

To the Sole Shareholder,

In compliance with the assignment entrusted to us by your articles of association and by a collective decision of the shareholders, we hereby report to you, for the year ended December 31, 2012, on:

- the audit of the accompanying consolidated financial statements of Parts Holdings (France);
- the justification of our assessments;
- the specific verification required by law.

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

I. 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 December 31, 2012 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.

II. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French commercial code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matter(s):

- In the context of our assessment of the accounting rules and methods applied by your company, we have ensured that the accounting rules and methods relating to business combinations, deferred taxes, pensions and other post-employment benefits, and inventory impairment, as described respectively in the notes 3.3.8, 3.3.19b), 3.3.15b) and 3.3.11 to the consolidated financial statements, are appropriate and were applied consistently. In the case estimates need to be performed for their implementation, our procedures consisted in assessing the data and assumptions on which these estimates were based, and the reasonableness of the resulting valuations.
- The group performs systematically, at the end of each reporting period, impairment tests of goodwill and intangible assets with indefinite useful lives, and also assesses whether an

indication of impairment of other non-current assets exists, following the methodology described in the notes 3.3.7 and 3.3.8 to the consolidated financial statements. We have reviewed the soundness of the chosen approach and the assumptions used for these impairment tests and we carried out the assessment of the reasonableness of the calculations made by the group in that respect. We have also ensured that the information given in the notes 3.2.1, 3.3.7, 3.3.8b), 6.5, 6.6, 8.1 and 8.2 to the consolidated financial statements is appropriate.

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.

III. 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, April 29, 2013

The statutory auditors
French original signed by

CONSTANTIN ASSOCIES
Member of Deloitte Touche Tohmatsu

Jean Paul Seguret

ERNST & YOUNG et Autres

Benoit Pimont

Benoit Schumacher

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Consolidated Income Statement

In millions of euros

	Notes	2012 12 months	2011(*) 12 months	2011 published 12 months
REVENUE	*6.1*	**1,084.3**	**1,085.4**	**1,101.5**
Cost of goods for sale		(689.9)	(702.4)	(716.5)
Personnel costs	*6.2*	(223.7)	(219.2)	(220.6)
Other purchases and external expenses	*6.3*	(121.9)	(120.7)	(122.5)
Taxes		(8.2)	(6.6)	(6.6)
Other operating income and expenses	*6.4*	4.4	2.7	2.3
EBITDA		**45.0**	**39.2**	**37.6**
Depreciation/amortisation expense	*9 & 10*	(15.1)	(17.0)	(17.1)
RECURRING OPERATING INCOME		**29.9**	**22.2**	**20.5**
Other income from operations	*6.5*	3.4	125.5	125.5
Other expenses from operations	*6.6*	(7.2)	(18.9)	(18.9)
OPERATING INCOME		**26.1**	**128.8**	**127.1**
Financial income	*6.7*	2.3	1.7	1.7
Financial expenses	*6.8*	(10.7)	(15.0)	(15.2)
Share of income of associates	*11*	(0.0)	0.4	0.4
INCOME BEFORE TAX		**17.7**	**115.9**	**114.0**
Income tax	*6.9*	(7.8)	14.1	14.1
NET INCOME FROM CONTINUING OPERATIONS		**9.9**	**130.0**	**128.1**
Net income (loss) from discontinued operations	*5*	(3.9)	(1.9)	—
NET INCOME FOR THE YEAR		**6.0**	**128.1**	**128.1**
Attributable to:				
Owners of the parent:				
Net income (loss) from continuing operations		9.7	129.8	128.3
Net income (loss) from discontinued operations		(3.5)	(1.5)	—
Net income attributable to owners of the parent		6.2	128.3	128.3
Non-controlling interests:				
Net income (loss) from continuing operations		0.2	0.2	(0.2)
Net income (loss) from discontinued operations		(0.4)	(0.4)	—
Net income (loss) attributable to non-controlling interests		(0.2)	(0.2)	(0.2)
Earnings per share from continuing operations		€ 0.064	€ 0.852	€ 0.840

(*) 2011 data has been restated in order to reclassify the Group's Italian activities within discontinued operations.

Statement of Comprehensive Income

In millions of euros

	2012 12 months	2011 12 months
NET INCOME	**6.0**	**128.1**
Foreign exchange gains (losses)	0.3	0.6
Remeasurement of hedging instruments		
Remeasurement of financial instruments		
Remeasurement of available-for-sale financial assets		
Remeasurement of non-current assets		
Actuarial gains and losses on defined benefit plans		
Share in comprehensive income of associates		
OTHER COMPREHENSIVE INCOME	**6.3**	**0.6**
TOTAL COMPREHENSIVE INCOME	**6.3**	**128.7**

Foreign exchange gains and losses for 2012 are attributable to fluctuations in the Polish zloty exchange rate and are shown in the table below:

	2012	2011
Closing rate	4.0740	4.4580
Average rate	4.1834	4.1203

The Group has not put in place any foreign exchange hedging instruments for this currency.

Consolidated Statement of Financial Position

In millions of euros

	Notes	31 December 2012	31 December 2011
ASSETS			
Goodwill	*8*	8.2	4.2
Intangible assets	*9*	142.0	141.3
Property, plant and equipment	*10*	45.6	39.5
Investments in associates	*11*	0.4	3.1
Available-for-sale financial assets	*12*	0.3	0.3
Other non-current assets	*13*	12.1	6.5
Deferred tax assets	*6.9.2*	18.3	21.2
TOTAL NON-CURRENT ASSETS		**226.9**	**216.1**
Inventories	*14*	176.7	170.2
Trade receivables	*15*	147.9	168.0
Other current assets	*16*	9.6	13.3
Cash and cash equivalents	*17*	58.4	71.5
Derivative financial instruments		—	—
TOTAL CURRENT ASSETS		**392.6**	**423.0**
Non-current assets held for sale	*5*	10.9	—
TOTAL ASSETS		**630.4**	**639.1**
EQUITY AND LIABILITIES			
Share capital	*18*	152.6	152.6
Other reserves	*18*	21.4	(117.7)
Net income attributable to owners of the parent		6.2	128.3
SHAREHOLDERS' EQUITY		**180.2**	**163.2**
NON-CONTROLLING INTERESTS		**(0.4)**	**0.5**
- Net assets		(0.2)	0.7
- Net income (loss)		(0.2)	(0.2)
TOTAL EQUITY		**179.8**	**163.7**
Non-current borrowings and debt	*20*	167.7	205.6
Non-current provisions	*24.2*	4.8	6.0
Liabilities relating to employee benefits	*22*	25.5	25.3
Deferred tax liabilities	*6.9.2*	—	—
Other non-current liabilities	*23*	4.4	3.7
TOTAL NON-CURRENT LIABILITIES		**202.4**	**240.6**
Current borrowings and debt	*20*	37.8	12.4
Current provisions	*24.1*	8.2	10.1
Trade payables	*25*	138.0	151.4
Other current liabilities	*25*	58.4	60.0
Derivative financial instruments		—	0.9
TOTAL CURRENT LIABILITIES		**242.4**	**234.8**
Liabilities directly associated with assets held for sale	*5*	5.8	—
TOTAL EQUITY AND LIABILITIES		**630.4**	**639.1**

Consolidated Statement of Changes in Equity

In millions of euros

For the year ended 31 December 2011

In millions of euros	Attributable to owners of the parent							
	Share capital	Additional paid-in capital	Foreign exchange gains and losses	Remeasurement of financial instruments	Consolidated reserves	Shareholders' equity	Non-controlling interests	Total equity
At 31 December 2010	**152.6**	**—**	**(1.3)**	**—**	**(115.2)**	**36.1**	**0.3**	**36.4**
Net income for the year					128.3	128.3	(0.2)	128.1
Other comprehensive income (expense)			(0.6)			(0.6)	—	(0.6)
Comprehensive income (expense)	**152.6**	**—**	**(1.9)**	**—**	**13.1**	**163.8**	**0.1**	**163.9**
Other changes					(0.6)	(0.6)	0.7	0.1
Dividends paid						—	(0.3)	(0.3)
At 31 December 2011	**152.6**	**—**	**(1.9)**	**—**	**12.5**	**163.2**	**0.5**	**163.7**

For the year ended 31 December 2012

In millions of euros	Attributable to owners of the parent							
	Share capital	Additional paid-in capital	Foreign exchange gains and losses	Remeasurement of financial instruments	Consolidated reserves	Shareholders' equity	Non-controlling interests	Total equity
At 31 December 2011	**152.6**	**—**	**(1.9)**	**—**	**12.5**	**163.2**	**0.5**	**163.7**
Net income for the year					6.2	6.2	(0.2)	6.0
Other comprehensive income			0.3		—	0.3	—	0.3
Comprehensive income (expense)	**152.6**	**—**	**(1.6)**	**—**	**18.7**	**169.7**	**0.3**	**170.0**
Other changes				10.0	0.5	10.5	(0.5)	10.0
Dividends paid							(0.2)	(0.2)
At 31 December 2012	**152.6**	**—**	**(1.6)**	**10.0**	**19.2**	**180.2**	**(0.4)**	**179.8**

Consolidated Statement of Cash Flows

	Notes	2012 12 months	2011 12 months
Cash flows from operating activities			
Net income		**6.0**	**128.1**
Net income from discontinued operations		3.9	
Cancellation of unrealised income and expenses		17.9	(90.4)
- *Depreciation/amortisation*		15.1	17.1
- *Provisions (net of reversals)*		(2.5)	6.8
- *Share in earnings of associates*		0.0	(0.4)
- *Gains or losses on disposals of fixed assets*		0.4	(0.1)
- *Allocation/reversal of impairment of the Autodistribution trademark*		—	(117.9)
- *Allocation of goodwill impairment*		—	0.5
- *Financial expenses without a cash effect*		4.9	3.7
- *Other income expenses without a cash effect*		0.0	(0.1)
Financial expenses and income with a cash effect		3.1	9.6
Income tax		7.8	(14.1)
Changes in working capital		6.7	1.4
- *Inventories*		2.4	(1.5)
- *Receivables*		21.1	(1.2)
- *Payables*		(15.2)	(0.9)
- *Other receivables and payables*		(1.6)	5.0
Other items with a cash impact		(6.4)	(4.1)
- *Income tax*		(6.4)	(4.1)
Net cash from operating activities — continuing operations		**39.0**	**30.4**
Net cash used in operating activities — discontinued operations	*5*	**(4.0)**	**—**
Cash flows from investing activities			
Acquisitions of fixed assets	*10.2*	(15.9)	(15.9)
Changes in other financial assets		(1.1)	—
Disposal of fixed assets		0.7	1.5
Advances paid		(3.8)	—
Business acquisitions		(13.8)	(2.7)
- *Acquisitions net of cash acquired*	*4.1.1*	(13.8)	(2.7)
- *Disposals net of cash transferred*		—	—
Net cash used in investing activities — continuing operations		**(33.9)**	**(17.1)**
Net cash from investing activities — discontinued operations	*5*	**0.7**	**—**
Cash flows from financing activities			
Dividends paid to the owners of the parent company	*7*	—	—
Dividends paid to non-controlling interests of consolidated companies		(0.3)	(0.3)
Dividends received from associates	*11*	—	—
Capital increase in cash		—	—
Financial expenses with a cash effect		(4.7)	(10.8)
Financial income with a cash effect		1.6	1.2
Increase in borrowings		6.6	1.2
Repayment of borrowings		(16.8)	(20.1)
Change in other financial liabilities		(0.2)	2.3
Net cash used in financing activities — continuing operations		**(13.8)**	**(26.5)**
Net cash used in financing activities — discontinued operations	*5*	**(0.2)**	**—**
Change in cash and cash equivalents — continuing operations		**(8.7)**	**(13.3)**
Change in cash and cash equivalents — discontinued operations		**(3.5)**	**—**
Cash and cash equivalents at the beginning of the year	*17*	**63.5**	**75.6**
Impact of currency rate fluctuations		0.8	(1.2)
Decrease in cash and cash equivalent of discontinued operations at end of year		(0.4)	
Cash and cash equivalents at end of year	*17*	**50.1**	**63.5**

Notes to the Consolidated Financial Statements

1 Approval of the financial statements

On 29 March 2013, the Chairman approved Parts Holdings (France) S.A.S.'s consolidated financial statements for the year ended 31 December 2012. Parts Holdings (France) is a simplified joint-stock company (*société par actions simplifiée* — S.A.S.) with a sole shareholder. It was incorporated on 18 January 2006.

The shareholder is Parts Holdings BV, which in turn is owned by Parts Holdings Coöperatief U.A.

The Parts Holdings (France) Group specialises in the distribution of automotive spare parts. The Group's activities focus on two areas: Light Vehicles (LV) and Heavy Vehicles (HV).

2 Information relating to the parent company

Parts Holdings (France)

A simplified joint-stock company with capital of €152,598,261.00

Registered office: 22 Avenue Aristide Briand, 94110 Arcueil, France

Registered with the Créteil Trade and Companies Registry under number 488 077 165.

Parts Holdings (France) and its subsidiaries are included in the consolidated financial statements of Parts Holdings Coöperatief U.A., a company incorporated under Dutch law and registered with the Dutch Trade and Companies Registry under number 30254923, having its registered office at Schiphol Boulevard 329, 1118 BJ Luchthaven, Schiphol, Netherlands.

3 Accounting rules and methods

The consolidated financial statements of Parts Holdings (France) S.A.S. and all its subsidiaries (the "Group") have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union on 31 December 2012 and available on the following website:

http://ec.europa.eu/internal_market/accounting/ias/index_en.htm

The Group's consolidated financial statements have been drawn up using the historical cost convention, with the exception of derivative financial instruments and financial assets available for sale, which are measured at fair value.

The consolidated financial statements are presented in euros and all values are rounded to the nearest million (€m) unless stated otherwise.

3.1 Basis of preparation

The accounting principles applied are consistent with those used to prepare the annual consolidated financial statements for the year ended 31 December 2011, with the exception of the adoption of the amendment to IFRS 7 — Disclosures: Transfer of Financial Assets, applicable to accounting periods beginning on or after 1 July 2011.

The adoption of said amendment has had no impact on the company's financial statements.

The Group has not opted for the early application of:

- Amendment to IAS 19 — Employee Benefits, applicable to accounting periods beginning on or after 1 January 2013 and adopted by the European Union on 5 June 2012.

The main changes that will have an impact on the provision for post-employment benefits are as follows:

- Discontinuation of the corridor method that the Group has used until now: the actuarial gains and losses created during the period must be recorded in other comprehensive income and will no longer be amortised in the consolidated income statement over employees' remaining service period;
- Immediate recognition in income of the effect of plan amendments (e.g., amendment of collective bargaining agreement), which are no longer recognised on a straight-line basis over the remaining service period;

- Alignment of the expected return on plan assets rate with the yield from high quality bonds used for the calculation of the present value of the obligation;
- Accumulated unrecognized past service costs and actuarial gains and losses at the beginning of the first comparative period shown must be recorded in reserves.

The year 2012 reporting period must also be presented as restated in the 2013 financial statements (see Note 3.3.15 b).

- Amendment to IAS 1 — Presentation of items of net income, gains and losses recorded directly in equity, applicable to reporting periods beginning on or after 1 July 2012.

Moreover, the Group has not applied the following standards and amendment adopted by the European Union and published in the Official Journal of the European Union on 29 December 2012:

- IFRS 9 — Financial Instruments – recognition and measurement, applicable on or after 1 January 2015;
- IFRS 10 — Consolidated Financial Statements, applicable on or after 1 January 2014;
- IFRS 11 — Joint Arrangements, applicable on or after 1 January 2014;
- IFRS 12 — Disclosure of Interests in Other Entities, applicable on or after 1 January 2014;
- IFRS 13 — Fair Value Measurement, applicable on or after 1 January 2013;
- IAS 27 — Consolidated and Separate Financial Statements, applicable on or after 1 January 2013;
- IAS 28 — Investment in Associates and Joint Ventures, applicable on or after 1 January 2013;
- Amendment to IAS 12 — Deferred Tax: Recovery of Underlying Assets, applicable on or after 1 January 2012.

The Group will apply said standards and amendment on their respective effective dates.

Finally, the Group has not applied the following standards and amendment, which the European Union had not adopted as of 31 December 2012:

- Amendment to IFRS 1 — Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters, applicable to annual periods beginning on or after 1 July 2011;
- Amendment to IFRS 7 — Disclosures: Offsetting Financial Assets and Liabilities, applicable on or after 1 January 2013;
- Amendment to IAS 32 — Offsetting Financial Assets and Liabilities, applicable on or after 1 January 2014;
- Amendment to IFRS 1 — Government Loans, applicable on or after 1 January 2013;
- Amendments relating to transitional provisions for IFRS 10, IFRS 11 and IFRS 12, applicable on or after 1 January 2013;
- Annual improvements — 2009-2011 cycle for amendments applicable on or after 1 January 2013. Said improvements relate to:
  - IFRS 1, which explains:
    - repeated applications of IFRS 1
    - borrowing costs relating to qualifying assets for which the commencement date for capitalisation precedes the date of transition to IFRSs;
  - IAS 1, which clarifies the requirements for comparative information;
  - IAS 16, which provides a classification of servicing equipment;

- IAS 32, which explains the tax effect relating to distributions to holders of equity instruments and to the costs relating to equity transactions;
- IAS 34, which clarifies interim financial reporting and segment information for the total assets in a segment.

The Group is reviewing all these standards and interpretations in order to measure their potential impact on the results, financial position and consolidated cash flow, and to assess the impact on disclosures.

3.2 Significant judgments and estimates

The preparation of consolidated financial statements requires the Group to use judgments and make estimates that can affect the carrying amount of certain assets and liabilities, income and expense items, and disclosures in the accompanying notes.

The key assumptions relating to future events and other sources of uncertainty connected to the use of estimates on the reporting date, for which changes during a financial year could involve a significant risk of material change in the carrying amount of assets and liabilities, are shown hereinafter.

3.2.1 Impairment of non-financial assets

At the end of each reporting period, the Group assesses whether there is any indication that a non-financial asset might be impaired. Goodwill and other intangible assets with indefinite useful lives are subject to an impairment test at least once a year and whenever there is an indication of impairment. Other non-financial assets are subject to an impairment test when indications show that there is a possibility that the carrying amount of the asset exceeds its recoverable amount.

The value in use of the assets was calculated on the basis of discounted cash flows taking into account the components of the Group's 2013 budget and the three-year business plan approved by the Executive Committee.

The impairment test on cash-generating units (CGU) is based on the four-year EBIDTA plan. The assumptions used then undergo a sensitivity test to assess the variability of the result following the amendment of all assumptions.

Historically, the impairment test performed on the France CGU resulted in recording a goodwill impairment loss of €368.5 million and a €150.4 million impairment loss for the AD brand in 2008.

Each year, the Group carries out impairment tests on the France CGU, which includes the AD brand, and the Poland CGU. A valuation of the AD brand is also performed separately, bearing in mind that the impairment of the brand is reversible if events occur that show that the indicators that led to a loss being recorded no longer exist.

Valuation of the AD brand

The "Autodistribution" brand, recognised at the time of the acquisition, is included in the France CGU. At 31 December 2010, the gross value of the AD brand stood at €156.9 million in the consolidated financial statements and its net value at €17.1 million. Following a valuation carried out by an independent external firm and in conjunction with the impairment test on the France CGU, the value of the brand had decreased to €135 million in the consolidated accounts at 31 December 2011. An impairment reversal of €117.9 million was therefore recorded for the year.

In 2012, the Group carried out a valuation of the AD brand using the same method as it had in the past, i.e., the revenue approach (royalty method). It is based on revenue generated over five years by the AD brand, i.e., by the PHF Group's subsidiaries or the affiliated distributors. The assumptions used include a discount rate of 11.2%, a royalty rate of 1.5% and a perpetuity growth rate of 1%.

This valuation shows a brand value of €142 million, i.e., €7 million more than in 2011. This increase can be largely explained by the change in the discount rate applied which was 11.7% in 2011 and 11.2% in 2012 owing to the change of the weighted average cost of capital, whereas the assumptions relating to increase in revenue were relatively stable.

Accordingly, by way of caution in a difficult and uncertain market, no impairment reversal was recorded at 31 December 2012 and the value of the AD brand remained at €135 million.

The table below shows the sensitivity of the valuation in relation to discount and royalty rate assumptions.

		Discount rate		
		11.0%	**11.2%**	**12.0%**
Royalty rate	**1.00%**	**96**	**94**	**88**
	1.50%	**144**	**142**	**132**
	2.00%	**193**	**189**	**176**

France CGU

At 31 December 2012, the assets tested, including goodwill and the AD brand, stood at €313 million. The assets tested are compared with the value in use which is calculated using a valuation based on future cash flows discounted at 9.5% and with a perpetuity growth rate of 1%, i.e., €368 million. A sensitivity calculation was performed that shows that the valuation would amount to €331 million in the event that objectives in the business plan were achieved at 90%, i.e., higher than the value of the net assets tested. Accordingly, no asset impairment was recorded.

		Discount rate					
		8.5%	**9.0%**	**9.5%**	**10.0%**	**10.3%**	**10.8%**
% achievement of the BP	90%	374	351	331	313	303	288
	95%	395	371	349	330	320	304
	100%	416	390	368	348	337	320

Poland CGU

At 31 December 2011, goodwill, intangible assets and property, plant and equipment were fully impaired.

At 31 December 2012, the value in use stood at €1.5 million (valuation based on discounted cash flows at the rate of 10.5% with a perpetuity growth rate of 1%). Accordingly, no reversal is to be recorded for the year. However, an additional allowance of €0.3 million corresponding to the increase in the gross value of assets for the year was recorded.

Information relating to the procedures for impairment tests is provided in Note 3.3.8.

3.2.2 Deferred tax assets

Deferred tax assets are recorded in respect of tax loss carryforwards when it is likely that the Group will have future taxable profits against which said unused tax losses can be charged. The calculation of the amount of deferred tax assets that can be recognised requires management to estimate how long it will take to use up the losses carried over and the level of future taxable profits, with regard to tax management strategies.

At 31 December 2011, the Group began to recognise deferred tax assets calculated on the basis of the three-year business plan. At 31 December 2012, the recognised deferred tax assets were calculated on the basis of the Group's 2013 budget and the three-year business plan. Further details are provided in Notes 3.3.19 and 6.9.2.

3.2.3 Pensions and other post-employment benefits

The cost of defined benefit plans is calculated on the basis of actuarial valuations. These valuations rely on assumptions as regards discount rates, the projected yield from plan assets, the rate of salary increases and the mortality rate. Owing to the long-term nature of such plans, there is great uncertainty about these estimates. The net liability in respect of these employee benefits at 31 December 2012 stood at €25.5 million. Further details are provided in Note 22. There are no other post-employment benefits.

3.2.4 Inventory impairment

Inventory impairment is calculated by applying an impairment rate for each category of unsold products in accordance with the depletion of items and their last date of sale.

The provision for inventory impairment at 31 December 2012 totalled €19.9 million.

3.3 Summary of the main accounting methods

3.3.1 Principles and scope of consolidation

The consolidated financial statements include the financial statements of Parts Holdings (France) S.A.S. and its subsidiaries at 31 December of each year. The subsidiaries' financial statements are prepared over the same reference period as those of the parent company, applying homogeneous accounting methods.

All intragroup balances and transactions as well as unrealised income, expenses, gains and losses that are included in the carrying amounts of the assets, and which are generated by internal transactions, are eliminated.

Subsidiaries are consolidated as from the acquisition date, which corresponds to the date on which the Group took control of them, and until the date on which it ceases to exercise such control. The financial statements of the companies over which the Group has significant influence (associates) are accounted for by the equity method.

The Group does not own any jointly controlled companies — or joint ventures — that are consolidated on a proportional basis.

Significant transactions between consolidated companies and unrealised internal profits are eliminated.

Non-controlling interests represent the share of income or loss and of net assets that the Group does not own. In the consolidated income statement and in equity in the consolidated statement of financial position, they are shown separately from the share attributable to owners of the parent. Transactions conducted with non-controlling interests are recorded directly in equity.

3.3.2 Foreign currency translation

(a) Translation of foreign companies' financial statements

The consolidated financial statements are presented in euros, which is the parent company's functional currency and the currency in which it presents its accounts.

The financial statements of entities that use a different functional currency from the euro are translated as follows:

- Assets and liabilities are translated at the current exchange rate on the reporting date.
- Income statement and statement of cash flows items are translated at the average exchange rate for the year.

Foreign exchange gains or losses arising from said conversion are allocated directly to a separate line item under equity. On the disposal of a foreign operation, the cumulative amount of deferred foreign exchange gains or losses shown in the separate item of equity and relating to said foreign operation is recognised in the income statement.

In the Group, the only subsidiaries that use a different functional currency than the euro are located in Poland (currency: zloty).

(b) Goodwill arising from foreign acquisitions

Any goodwill arising from the acquisition of a foreign operation and any adjustment of the carrying amount of the assets and liabilities derived from the acquisition of said foreign business to fair value is recorded as an asset or liability of the foreign operation and is therefore translated into euros at the closing rate.

(c) Translation of foreign currency transactions

Foreign currency transactions are initially recorded in the functional currency at the current exchange rate on the transaction date. On the reporting date, the monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the current exchange rate on that date. The resulting differences are recorded in the income statement.

3.3.3 Property, plant and equipment

Items of property, plant and equipment, including land, property and the corresponding fixtures, are carried at cost less accumulated depreciation and impairment losses.

Replacement costs are included in the carrying amount of the property, plant and equipment if the accounting criteria are met.

Routine maintenance costs are expensed as incurred.

An item of property, plant and equipment is derecognised when it is disposed of or when no further future economic benefits are expected from its use. Any gain or loss resulting from derecognising an asset (calculated on the basis of the difference between the net proceeds of disposal of said asset and its carrying amount) is recorded in the income statement in the year in which it is derecognised.

Items of property, plant and equipment are depreciated using the straight-line method in accordance with the following periods of use:

Property	25 years
General fixtures and fittings	5 years
Equipment and machinery	10 years
IT equipment	2 years
Transportation equipment	5 years
Furnishings	5 years

The useful life of the assets and the depreciation methods are reviewed and modified, if necessary, on each annual reporting date.

3.3.4 Intangible assets

Intangible assets acquired separately are valued at their purchase cost.

Intangible assets acquired in connection with a business combination are recorded at fair value on the acquisition date.

After initial recognition, intangible assets are valued at their acquisition cost less accumulated amortisation and impairment.

Costs relating to intangible assets created internally are recorded under assets when the criteria for IAS 38 are met.

The Group decides whether the useful life of an intangible asset is finite or indefinite.

a) Intangible assets with a finite useful life

These fixed assets are amortised in accordance with their economic useful life and are subject to an impairment test whenever there is an indication that the intangible asset is impaired. The amortisation period and method for an intangible asset with a finite useful life are reviewed at least on the reporting date every year. Any change to the projected useful life or projected rate of consumption of the representative future economic benefits of the asset is recorded by changing the amortisation period or method, whichever is appropriate. Such changes are treated as changes in estimates. Amortisation of intangible assets with finite useful lives is recorded in the income statement in the appropriate expense category based on the intangible asset's function.

The Group's intangible assets fall into this category, and comprise, primarily, software licences for Movex accounting software.

These fixed assets are amortised on a straight-line basis in accordance with the following estimated period of useful life:

Software	5 years

b) Intangible assets with an indefinite useful life

These fixed assets are not amortised but are subject to annual impairment tests, either individually or at the level of the cash-generating unit to which the intangible asset belongs. The useful life of an intangible asset with an indefinite useful life is reviewed annually in order to determine whether the indefinite useful life assessment for said asset is still justified. If not, the change in assessment of the nature of the useful life from indefinite to finite is recorded prospectively.

The "Autodistribution" brand, recognised at the time of acquisition, is attached to the cash generating unit consisting of Autodistribution and its subsidiaries (France CGU).

3.3.5 Leases

Determining whether an arrangement is a lease, or contains a lease, depends on the substance of the agreement on its commencement date. This requires assessing whether performance of the agreement depends on the use of a specific asset or specific assets, and whether the agreement grants a right to use the asset. For agreements entered into before 1 January 2005, the commencement date is deemed to be 1 January 2005, in accordance with the transitional provisions of IFRIC 4.

a) Leases in the Group's financial statements where the Group is lessee

Finance leases that transfer virtually all the risks and rewards incidental to ownership of the leased asset to the Group are recorded in the statement of financial position at the beginning of the term of the lease at the fair value of the leased asset or, if it is lower, at the discounted value of the minimum payments under the lease. Payments in respect of the lease are broken down between the financial expense and the amortisation of the debt so as to obtain a constant periodic interest rate on the remaining balance of the liability. The financial expenses are recorded directly in the income statement.

Assets that are subject to a finance lease are amortised over the shorter of the lease term and its useful life, if the Group cannot be reasonably certain that it will become the owner of the asset when the lease expires.

Payments under operating leases are recorded as expenses on a straight-line basis until the lease expires.

At 31 December 2012, the Group has finance leases in the capacity of lessee (see Notes 29.1 and 29.2).

b) Leases in the Group's financial statements where the Group is lessor

Leases under which the Group does not transfer virtually all the risks and rewards incidental to ownership of the asset are classified as operating leases. The initial indirect costs incurred when negotiating the lease are added to the carrying amount of the leased asset and recorded over the term of the lease on the same bases as rental income. Contingent rental income is recorded as income from ordinary activities over the period in which it is acquired.

At 31 December 2012, the Group does not have any finance leases in the capacity of lessor.

3.3.6 Non-current held-for-sale assets and discontinued operations

A non-current asset (or group of assets and associated liabilities) is "held for sale" when its carrying amount will be recovered primarily through sale rather than continued use. In order to fall into this category, the asset (or group of assets) must be available for immediate sale and the sale must be highly probable. This asset or group of assets and associated liabilities is/are presented separately in the statement of financial position when it is/they are significant, without restatement of previous periods. The assets or group of assets are measured at the lower of their carrying amount and their estimated selling price less costs to sell.

A discontinued operation is defined as a component of an entity that represents a separate major line of business or geographical area of operation for the Group. This component must either be discontinued or classified as held-for-sale assets or it must form part of an overall plan to sell an operation or a significant geographical area for the Group; or, finally, it must be a significant subsidiary acquired solely for the purpose of resale. The components of the income statement and statement of cash flows relating to said discontinued operations are presented separately in the financial statements for all the periods presented if they are significant. The components of the statement of financial position relating to previous years are not presented separately; only the components of the last period shown are classified as assets and liabilities discontinued.

At 31 December 2011, the Group did not have any discontinued operations.

In 2012, strategies for alliance or disposal of Italian operations were examined as Italy's results were disappointing and prospects for growth limited. At PH Coöperatief's Board Meeting on 5 July 2012, it was officially decided to enter into discussions with a view to disposing of said operations. Negotiations opened with GIADI, an independent Italian distributor, resulted in a framework agreement signed by the parties on 19 December 2012. The agreement provides for the sale of 80% of the shares of Parts Holding Italy (PHI) owned by Autodis to GIADI in the first quarter of 2013, subject to the consent of both entities' Boards of Directors.

At the end of December 2012, Italy is therefore deemed to be a held-for-sale asset in accordance with IFRS 5. Moreover, since Italy is a CGU for the Group and a major geographical area, and as the Group only operates in three countries, the result of the Italian operations is presented separately in the income statement under discontinued operations (see Note 5).

3.3.7 Impairment of non-financial assets (excluding goodwill)

At the end of each annual reporting period, the Group assesses whether there is an indication that an asset is impaired. If there is such a presumption, or when an annual impairment test is required for an asset, the Group estimates the recoverable amount of the asset. Intangible assets with an indefinite useful life are tested annually on 31 December, individually or at the level of the cash-generating unit to which they are attached.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. It is determined for each asset separately, unless the asset generates cash flows that are largely dependent on other assets or groups of assets. If the carrying amount of an asset exceeds its recoverable amount, the asset is deemed to have lost some of its value and its carrying amount is reduced to its recoverable amount. Value in use is determined on the basis of projected future cash flows and discounted by applying a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An appropriate valuation model is used to determine the fair value less costs to sell.

Impairment of continuing operations is recorded in the income statement in the appropriate expenses category with regard to the function of the impaired asset.

An assessment is made on each reporting date in order to identify whether a previously identified indication of impairment has disappeared or decreased. In this case, the Group estimates the recoverable amount. An impairment loss previously recorded is also reversed in the event of a change in the estimates made when determining the recoverable amount of the asset.

In this case, the carrying amount of the asset is increased to the level of its recoverable amount. When an impairment loss has been reversed, the carrying amount of an asset must not exceed the carrying amount that would have been determined, less depreciation or amortisation, if no impairment had been recorded for said asset during previous periods. An impairment loss reversal is recorded in the income statement.

3.3.8 Business combinations and goodwill

a) Valuation and allocation of goodwill

As from 1 January 2010, business combinations are recorded in accordance with the revised IFRS 3, by applying the acquisition method. According to said method, the various components of the acquisition are recorded at fair value, subject to exceptions, as follows:

- The consideration transferred is measured at fair value. It includes any contingent consideration clauses that are also measured at fair value on the acquisition date, which takes into account all the probabilities of occurrence. Considerations are classified as debt or equity according to their nature, those classified as debts are then remeasured at fair value and the difference recorded in the income statement.
- The costs directly attributable to the acquisition are recorded as expenses during the period in which they are incurred.

The acquired entity's identifiable assets, liabilities and contingent liabilities that meet IFRS accounting criteria are recorded at the fair value determined on the acquisition date, with the exception of non-current assets classified as held-for-sale assets, which are recorded at fair value less disposal costs, and other assets and liabilities (IAS 19 and IAS 12) valued in accordance with the applicable standards.

Goodwill represents any excess in the amount of consideration transferred and, where appropriate, the value of the non-controlling interests over the net fair value of the acquired company's identifiable assets and liabilities.

Adjustments to the value of assets and liabilities relating to acquisitions recorded on a provisional basis are recorded as retrospective adjustments of goodwill if they occur within a period of twelve months of the acquisition date. After said time, the effects are recorded directly in the income statement unless they correspond to corrections of errors.

b) Impairment of goodwill

Goodwill and CGU

Goodwill acquired when businesses are combined is tested as soon as there are indications of impairment and at least once a year in order to determine whether the carrying amount is less than the recoverable amount, i.e., the amount that will be recovered by their use or by selling them.

If the recoverable amount is less than the carrying amount, an impairment loss is recorded for the difference between both amounts.

For this test, goodwill is grouped with other assets and liabilities in a cash-generating unit or group of CGUs. CGUs are homogeneous groups of assets whose continued use generates cash inflows that are primarily independent from cash inflows generated by other groups of assets.

An analysis of the segmentation of the Group into CGUs resulted in deeming the following as CGUs:

- the perimeter consisting of Autodistribution and its subsidiaries

- the perimeter consisting of AD Polska and its subsidiary
- the perimeter consisting of Parts Holdings Italia and its subsidiary (see Note 5 on the discontinued assets).

Assessment of recoverable amount

The impairment test consists of measuring the recoverable amount and comparing the recoverable amount of the CGU to its carrying amount. The recoverable amount is the net fair value of the disposal costs or value in use, whichever is higher.

The value in use of a CGU is determined by reference to projected discounted future cash flows from said assets, in light of economic assumptions and the Group management's projected operating requirements.

An impairment loss recorded on goodwill cannot be reversed because of an increase in its recoverable amount.

3.3.9 Financial investments and other financial assets

Depending on the type of instrument, financial assets that fall within the scope of IAS 39 are classified as financial assets at fair value through income, as loans and receivables, as held-to-maturity investments or as financial assets available for sale. On initial recognition, financial assets are measured at fair value plus directly attributable transaction costs (except for the category of financial assets measured at fair value through income).

The Group determines the classification of its financial assets when they are initially recognised in the accounts and, when it is authorised and appropriate, it reviews said classification on each annual reporting date.

a) Financial assets measured at fair value through income statement

The category of financial assets at fair value through income statement includes financial assets acquired with a view to resale in the short term.

Duly designated and effective hedging derivatives do not fall within this category.

At 31 December 2012, investment securities included in cash equivalents fall within this category.

b) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed maturity date that the Group obviously intends to hold and is able to hold to maturity. After initially recording them in the accounts, held-to-maturity investments are valued at amortised cost.

The gains and losses are recorded in the income statement when said investments are derecognised or impaired, using the amortised cost mechanism.

At 31 December 2012, the Group did not own any financial assets recorded in the held-to-maturity investments category.

c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After they have been initially recorded, loans and receivables are valued at amortised cost applying the effective interest rate method less, where appropriate, an amount for impairment. Amortised cost is calculated taking into account any initial premium or discount and includes fees that form an integral part of the effective interest rate method as well as transaction costs.

Gains and losses are recorded in the income statement when the loans and receivables are derecognised or are impaired using the amortised cost mechanism.

d) Available-for-sale financial assets

Available-for-sale financial assets (equity investments not consolidated at 31 December 2012) are non-derivative financial assets that are designated as available for sale or are not classified in any of the preceding three categories.

After initial recognition, available-for-sale financial assets are measured at fair value and any related gains and losses are recorded directly in other comprehensive income in a reserve for net unrealised gains and losses. On disposal of an available-for-sale asset, the accumulated profit or loss previously recorded in equity is recycled in the income statement. The interest received or paid on said investments is recorded in financial income or expenses on the basis of the effective interest rate.

Dividends received on said investments are recorded in the income statement as "Dividends received" when the right to receive such payment is established.

e) Fair value

IFRS 7 — Financial Instruments: Disclosures, amended in 2009, establishes a fair value hierarchy consisting of three levels:

- Level 1: quoted prices for identical instruments (identical to those that are being valued) obtained on the valuation date on an asset market to which the entity has access;
- Level 2: directly observable market inputs other that does not correspond to quoted prices for identical instruments;
- Level 3: inputs not based on observable market data (for example, data derived from extrapolations). This level applies when there is no observable market or data and the entity is obliged to rely on its own assumptions to estimate the data that other market players would have applied to value the asset's other values.

All the fair value measurements are presented in Note 19 of the notes to the consolidated financial statements.

3.3.10 Impairment of financial assets

On each reporting date, the Group assesses whether a financial asset or group of financial assets is impaired.

a) Assets recorded at amortised cost

If there are objective indications of impairment on loans and receivables recorded at amortised cost, the amount of the loss is equal to the difference between the asset's carrying amount and the discounted value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the original effective interest rate (i.e., the effective interest rate calculated on the initial recognition date). The asset's carrying amount is reduced by using an impairment account. The amount of the impairment loss must be recorded in the income statement.

Regarding trade receivables, an impairment loss is recorded when there is an objective indication (such as a probability that the debtor will become bankrupt or is in serious financial difficulties) that the Group will not be able to recover the amount payable under the contractual terms of the invoice. The carrying amount of the trade receivable is reduced using an allowance account. The impaired outstanding amounts are recorded as a loss when they are deemed non-recoverable.

b) Available-for-sale assets

If a financial asset is impaired, the difference between its acquisition cost (less the repayment of the principal and any amortisation) and its current fair value, less any impairment loss previously recorded in the income statement, is transferred from equity to the income statement.

Impairment relating to equity instruments cannot be reversed inthe income statement. Impairment losses relating to debt instruments are reversed in the income statement if the increase in the instrument's fair value can be objectively related to an event that occurred after the impairment loss had been recorded in the income statement.

3.3.11 Inventories

Inventories consist primarily of goods and are valued at the lower of cost and net realisable value.

Cost is calculated using the method of the last supplier price applicable at 31 December of the current year, taking into account an average stock rotation. The valuation of inventory also takes into account the impact of discounts and allowances, and discounts granted by suppliers, as well as the transportation cost on purchases.

This method of inventory valuation is deemed to be a good approximation of FIFO because of the fast stock rotation.

Net realisable value is the estimated selling price on the reporting date, less estimated selling costs taking into account their technical or commercial obsolescence and the risks relating to slow rotation.

In the case the inventory shown in the statement of financial position of a company included in the scope of consolidation derives from a purchase made from another entity that is a member of the Group, the internal income recorded in the selling company's accounts is neutralized.

3.3.12 Cash and cash equivalents

Cash and cash equivalents recorded in the statement of financial position include cash in the bank and on hand, short term deposits with a term of three months or less and investment securities which meet the criteria of cash equivalent, i.e.:

- short-term investment;
- highly liquid;
- readily convertible into known amounts of cash;
- insignificant risk of changes in value.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include the cash and cash equivalents as defined above, less bank overdrafts.

Investment securities owned by the Group are euro money market funds with a negligible risk of changes in value.

3.3.13 Loans and borrowings

All loans are initially recorded at fair value, less directly related transaction costs.

After initial recognition, interest-bearing loans are valued at amortised cost using the effective interest rate. The issue costs have an impact on the entry value and are spread via the effective interest rate method. The amortised issue costs are presented as a deduction from the debts to which they relate.

The income (loss) is recorded in the income statement when the debts are derecognised and through the amortised cost mechanism.

3.3.14 Derivatives and hedge accounting

At 31 December 2012, the Group does not hold any hedging instruments.

3.3.15 Provisions

a) General information

A provision is recorded when the Group has a present obligation (legal or constructive) arising from a past event, when it is likely that an outflow of resources embodying economic benefits will be necessary in order to settle the obligation and when the amount of the obligation can be reliably estimated.

When the Group expects partial or total reimbursement of the provision, for example from an insurance policy, the reimbursement is recorded as a separate asset but only if the reimbursement is virtually certain. The amount of the expense corresponding to a provision is recorded in the income statement net of any reimbursements.

If the effect of the time-value of money is significant, provisions are discounted on the basis of a current rate before tax, which reflects, where appropriate, the risks specific to the liability. When the provision is discounted, the increase relating to the elapsing of time is recorded as a financial expense.

b) Pensions and other post-employment benefits

In addition to basic pension plans, the Group's employees benefit from defined contribution and defined benefit plans:

Basic plans

In France, the Group belongs to basic pension plans for which the expense recorded equals the contributions required by government agencies.

Defined contribution plans

The benefits paid depend solely on the total contributions made and the return on the investment. The Group's liability is limited to contributions paid that are recorded as an expense.

Defined benefit plans

In accordance with French legislation, each employee of the Group receives a retirement severance payment when he retires. This plan is very poorly pre-funded. An independent actuary calculates the Group's commitment under this plan annually using the projected unit credit method. These calculations include actuarial assumptions concerning demographic mortality, severance, retirement conditions and future salary projections.

The Polish companies' pension liability is also calculated in accordance with current local regulations taking into account the assumptions stated above.

Probable future benefits are discounted using a discount rate determined with reference to the yield from bonds issued by high-ranking companies. The actuarial gains and losses generated are recognised in accordance with the corridor method. The Group has no multi-employer plans.

At 31 December 2012, the Group chose not to record actuarial gains and losses relating to employee benefits directly in equity in accordance with the option available by IAS 19. The Group still uses the "corridor" method.

According to IAS 19R, the application of which is mandatory from 1 January 2013 for post-employment plans, actuarial gains and losses may no longer be recognised in the income statement (via the corridor method). Actuarial gains and losses must be recognised immediately in equity. The impact of the application of the standard at 1 January 2013 is estimated to be approximately €9.2 million.

3.3.16 Revenue recognition

Revenue is recorded when it is probable that the future economic benefits will flow to the Group and when revenue can be measured reliably. Revenue is measured at fair value of the consideration received or to be received, to the exclusion of discounts and allowances and other taxes on sales and customs duty. The following specific recognition criteria must also be met in order to recognise revenue:

a) Sale of goods

Revenue is recorded when the significant risks and rewards incidental to ownership of the goods are transferred to the buyer, usually on delivery of goods.

b) Rendering of services

Transactions involving the rendering of services are recorded over the period in which the services are provided.

c) Interest income

Revenue is recorded for the amount of interest accrued (using the effective interest rate method, i.e., the rate that accurately discounts future cash flows over the expected life of the financial instrument so as to obtain the carrying amount of the financial asset).

d) Dividends

Revenue is recorded when the shareholders' right to receive payment thereof is established.

3.3.17 Recurring operating income

Recurring operating income comprises revenue, cost of goods for sale, personnel costs, other purchases and external expenses, taxes, other operating income and expenses, and depreciation and amortisation expenses.

It also includes, in particular, the share of expenses for pension obligations relating to the cost of services rendered during the period, the cost of employee profit-sharing plans, foreign exchange gains and losses relating to recurring operating activities, including the effect of hedge accounting on such activities, as well as gains and losses on the disposal of property, plant and equipment and intangible assets in connection with the Group's ordinary activities.

3.3.18 Other operating income and expenses

Other operating income and expenses relates to unusual events with significant amounts effects.

Other operating income can include, in particular, gains on the disposal of operations and gains on the disposal of property, plant and equipment and intangible assets.

Other operating expenses can also include losses on the disposal of operations and losses on the disposal of property, plant and equipment and intangible assets as well as any cost relating to past disposals, the costs of restructuring or closing sites and impairment losses on assets.

3.3.19 Income tax

a) Income tax payable

Income tax assets and liabilities payable in respect of the current year and previous years are valued at the amount expected to be recovered from or paid to the tax authorities. The tax rates and rules applied to determine said amounts are those that were enacted or substantially enacted on the reporting date.

The tax payable in relation to items recorded directly in equity is recorded in equity rather than in the income statement.

The 2010 French Finance Act introduced the Territorial Economic Contribution (*Contribution Economique Territoriale* — CET), one of the components of which is the Company Value-Added Contribution (*Cotisation sur la Value Ajoutée des Entreprises* — CVAE). The Group has analysed the methods for determining said contribution with regard to the provisions adopted by the International Financial Reporting Interpretations Committee (IFRIC) and the French national accounting board (*Conseil National de la Comptabilité* — CNC) and it concluded that, in the particular case, this contribution meets the definition of tax payable according to IAS 12. This contribution has therefore been classified in the "Income tax" line of the financial statements since 1 January 2010.

b) Deferred tax

Deferred tax is recorded using the liability method for any timing differences on the reporting date between the tax base of the assets and liabilities and their carrying amount in the statement of financial position.

Deferred tax assets are recorded for any deductible timing differences and unused tax losses and tax credits carried forward, to the extent that it is probable that a taxable profit will be available against which said deductible temporary differences and tax losses and tax credits carried forward may be charged.

The carrying amount of the deferred tax assets is reviewed on each reporting date and reduced if it no longer appears probable that a sufficient taxable profit will be available to enable all or some of said deferred tax asset to be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised if it becomes likely that future taxable profit will enable them to be recovered.

Deferred tax assets and liabilities are valued at the tax rate that is expected to be applied for the year in which the asset is realised or the liability settled, on the basis of tax rates (and tax rules) that were enacted or substantially enacted on the reporting date.

Deferred tax relating to items recognised directly in equity is recorded in equity rather than in the income statement.

Deferred tax assets and liabilities are offset if there is an enforceable legal right to offset them and when they relate to the same taxable entity and tax authority. Within the tax consolidation group, deferred tax assets are accordingly offset against deferred tax liabilities.

4 Business combinations and acquisition of non-controlling interests

The scope of consolidation is set out in Note 26 and the amount of goodwill in Note 8.

4.1 Changes in the scope of consolidation in 2012

4.1.1 Acquisitions and newly-consolidated companies

Autodistribution's acquisition of additional shares in the Enssemble group

The Group acquired 80% of the Enssemble group on 9 July 2012 thereby increasing its interest from 20% to 100%.

The Enssemble group, located in the Lyon area, consists of the following eight companies, all wholly-owned subsidiaries of the Enssemble holding company:

- Porteret et Gobillot
- Bugisy
- SCI Lorat
- SCI Synimalau
- SARL Andrieu
- SARL Auto Contrôle
- EURL PAPL
- SARL FRA

The above-mentioned entities have been consolidated using the full consolidation method as of 9 July 2012, the date on which control was obtained.

At 31 December 2011, the Enssemble group was consolidated using the equity method.

The price paid in connection with the acquisition was €10.4 million.

The Enssemble group generates annual revenue of approximately €65 million and employs around 450 people. The revenue included in the Group's 2012 consolidated financial statements covered a period of six months and amounts to €31.7 million with net income of €0.35 million.

The Enssemble group's statutory financial statements were drawn up and audited by Eurex at 30 September.

The PHF group's 2012 revenue and net income if Enssemble had been consolidated over 12 months are not presented in this report. The fact that the reporting date is not 31 December makes the calculation impracticable.

The identifiable assets acquired and liabilities assumed measured at fair value are as follows (in millions of euros):

Property, plant and equipment	7.2
Intangible assets	0.0
Inventories	10.3
Trade receivables	9.2
Cash and cash equivalents	(1.2)
Other assets	2.2
Borrowings and debt	2.4
Tax and social security liabilities	4.4
Trade payables	8.5
Other liabilities	1.8
Net assets	**10.4**

Independent experts valued the property, plant and equipment enabling the fair value to be assessed at the acquisition date.

In accordance with the Group's principles described in Note 3.3.11, a proportion of discounts, rebates, refunds and allowances granted by suppliers and the transportation costs for purchases were added back to the value of inventories.

Inventories and trade receivables were impaired in accordance with the Group's current methods.

In addition to assets acquired and liabilities assumed, the following contingent liabilities were recognised in the opening statement of financial position:

Provision for compliance work at the sites	€ 97k
Provision for tax risks	€950k

The provision for tax risks is covered by a vendor's liability guarantee which has been recognized.

The goodwill arising from the provisional allocation of the purchase price is €2.6 million (see Note 8.1). It reflects the consolidation of the Group's foothold in the Rhône Alpes region where Enssemble is the market leader, as well as future organisational synergies.

Goodwill is calculated as follows (in millions of euros):

Acquisition price for 80% of the capital	10.4
Equity-accounted associate remeasured at fair value	2.6
Total	13.0
Previously recorded net assets	(10.4)
Goodwill	2.6

Allocation of the purchase price remains provisional, particularly as regards the value of inventories. The Group continues to analyse old inventories and therefore adjustments may be made in the first half of 2013.

Val de Loire PL's acquisition of "Station Technique Auto" and "Station Technique Auto Carrosserie"

On 31 July 2012, the Group acquired 100% of Station Technique Auto's shares, which in turn fully owns the operational subsidiary Station Technique Auto Carrosserie.

These companies are located in the French department Indre-et-Loire. They generate annual revenue of approximately €3.8 million and employ around 30 people.

The acquisition cost of the transaction was €3.1 million. The cash contributed by these companies was €1.1 million.

The goodwill arising from the provisional allocation of the purchase price is €1.4 million (See Note 8.1).

4.1.2 Incorporation of companies

No companies were incorporated in 2012.

4.1.3 Mergers within the Group

Transfer of all the assets and liabilities of APS Saillard and Comptoir Vitryat to Gadest

These companies, acquired in 2011, were combined with Gadest in 2012.

Transfer of all the assets and liabilities of SIA, Teulat, JP. David and J. David to AD Bassin Parisien-Nord

These companies, acquired in 2011, were combined with AD Bassin Parisien-Nord in 2012.

4.1.4 Disposals

The Group did not dispose of any of its entities in 2012.

4.2 Changes in the scope of consolidation in 2011

4.2.1 Acquisitions and newly-consolidated companies

Acquisition of Société d'Investissement Automobile (SIA) and its subsidiaries by AD Bassin Parisien-Nord

On 30 June 2011, the Group acquired 100% of the shares of Société d'Investissement Automobile (SIA), which in turn fully owns an operational subsidiary, Teulat SARL, and two holding companies: SA JP. David and SA J. David.

This Group, which generates annual revenue of approximately €2.1 million, employs approximately 13 people and is a member of the Autodistribution's VL Network. The operational subsidiary Teulat is located in Montreuil, in the French department Seine Saint Denis.

The acquisition cost of the transaction was €0.5 million. The cash contributed by these companies was €0.3 million.

The goodwill in respect of this acquisition was a negative €0.2 million (see Note 8.1).

Acquisition of APS Saillard and Comptoir Vitryat by Gadest

On 30 October 2011, the Group acquired 100% of the shares of APS Saillard and Comptoir Vitryat for €2.0 million.

These companies are located in the French department Haute Marne and generate annual revenue of approximately €3.7 million. The cash contributed by these companies was €0.2 million.

The goodwill in respect of this acquisition is €1.2 million (see Note 8.1).

Acquisition of Truck Car Services and TC26 by Cofirhad

On 30 December 2011, the Group acquired 100% of the shares of Truck Car Services and TC26 for €1.0 million.

These companies are located in Portes-lès-Valence in the French department Drôme and generate annual revenue of approximately €2.5 million. The cash contributed by these companies was €0.3 million.

The goodwill in respect of this acquisition is €0.5 million (See Note 8.1).

Acquisition of additional shares in AD International by Autodistribution

The interest in the Belgian company AD International increased from 17.14% to 20%.

4.2.2 Incorporation of companies

No companies were incorporated in 2011.

4.2.3 Mergers within the Group

In order to improve the operational and administrative organisation, the three Polish companies Dakol, Stachura and Stenmot were merged into a new entity named AD Polska Aftermarket on the basis of the financial statements at 31 December 2010. This company is wholly owned by AD Polska. These internal transactions have no impact on the consolidated financial statements.

4.2.4 Disposals

The Group did not dispose of any of its entities in 2011.

5 Discontinued operations

5.1 Discontinued operations at 31 December 2012

All the Italian operations are deemed to be discontinued at 31 December 2012. Income from these entities is presented in the item “Net income (loss) from discontinued operations”.

Changes in net income (loss) from discontinued operations are as follows:

In millions of euros	2012	2011
Net income (loss) from discontinued operations	**(3.9)**	**(1.9)**

The main line items in the consolidated income statement for discontinued operations are as follows:

In millions of euros	2012	2011
Revenue	14.8	16.1
Expenses from operations	(18.4)	(17.8)
Income from operations	(3.6)	(1.7)
Financial items	(0.2)	(0.2)
Income tax	—	—
Net income (loss) from discontinued operations	**(3.8)**	**(1.9)**

The main line items in the consolidated statement of financial position for discontinued operations are as follows:

In millions of euros	2012
Fixed assets	0.0
Inventories	2.9
Trade receivables	7.6
Cash and cash equivalents	0.4
Other assets	0.0
Non-current assets held for sale	**10.9**
Borrowings and debt	0.0
Trade payables	5.5
Other liabilities	0.3
Liabilities directly associated with assets held for sale	**5.8**

5.2 Discontinued operations at 31 December 2011

The Autodistribution Group decided not to discontinue or dispose of any operations in 2011.

6 Income and Expenses

6.1 Revenue

In millions of euros	2012	2011
Sales of goods held for resale	1,033.5	1,040.6
Rendering of services	50.8	44.8
Revenue	**1,084.3**	**1,085.4**

6.2 Personnel costs

In millions of euros	2012	2011
Wages	(160.0)	(156.4)
Social security contributions	(62.0)	(59.7)
Profit-sharing plans	(1.9)	(1.6)
Pension costs (see Note 22.1)	0.2	(1.5)
Personnel costs	**(223.7)**	**(219.2)**

The pension costs include the allocation to provisions for retirement benefits for the year as well as the reversal of said provisions as a result of benefits paid during the year (Note 21.1).

The Group's workforce at the year end can be broken down as follows:

Number of employees	2012	2011
Engineers and managerial staff	838	967
Technical and supervisory staff	1,068	736
Employees	4,466	4,503
Total workforce	**6,372**	**6,206**

6.3 Other purchases and external expenses

In millions of euros	2012	2011
Rental expenses	(37.6)	(36.9)
Shipping expenses	(38.2)	(37.5)
Maintenance and repairs	(12.1)	(11.6)
Legal and other fees	(8.1)	(7.8)
IT expenses	(6.8)	(7.1)
Advertising expenses	(2.5)	(3.4)
Subcontracting	(4.4)	(4.9)
Travelling expenses	(3.3)	(3.7)
Other expenses	(8.9)	(7.8)
Other purchases and external expenses	**(121.9)**	**(120.7)**

6.4 Other operating income and expenses

In millions of euros	2012	2011
Net (allocation to)/reversal of impairment of receivables	0.1	2.1
Net (allocation to)/reversal of current provisions for liabilities	0.1	—
Other	4.2	0.6
Other operating income and expenses	**4.4**	**2.7**

6.5 Other income from operations

In millions of euros	2012	2011
Gains on the disposal of property, plant and equipment and intangible assets	0.7	1.8
Reversal of provision for risk	2.4	3.8
Reversal of impairment on the AD brand	—	117.9
Other income	0.3	2.0
Other income from operations	**3.4**	**125.5**

The reversal of the provision for risk in the sum of €2.4 million in 2012 consists primarily of reversals of provisions for tax risks (AD and Arnaudiès) in the sum of €1.3 million.

6.6 Other expenses from operations

In millions of euros	2012	2011
Disposal of property, plant and equipment and intangible assets	(1.0)	(2.0)
Goodwill impairment loss (Note 8.2)	—	(0.5)
Impairment of fixed assets for the Polish entities	(0.3)	(3.9)
Allocation to provisions and expenses for restructuring, and employee and tax disputes	(1.2)	(7.1)
Other expenses	(4.7)	(5.4)
Other expenses from operations	**(7.2)**	**(18.9)**

Following the results of the impairment test of the Poland CGU, property, plant and equipment and intangible assets were written down in full at 31 December 2011 and 31 December 2012 (see Note 3.2.1).

In 2011, the line "Allocation to provisions and expenses for restructuring, and employee and tax disputes" corresponds to the closure of Moissy Cramayel's Building B at Logisteo. This amount includes all the remaining rent due until the lease expires in May 2017, including rental charges and taxes. This provision is discounted at 4%. In 2012, the reversal of this provision, net of amortisation of the €1.2 million discount, covered the expenses recorded for the year. At 31 December 2012, the balance of said provision stood at €6.3 million.

6.7 Financial income

In millions of euros	2012	2011
Income from financial investments	0.7	0.6
Foreign exchange gains	0.9	0.2
Gains on the disposal of financial assets	—	0.1
Other financial income	0.7	0.8
Total financial income	**2.3**	**1.7**

6.8 Financial expenses

In millions of euros	2012	2011
Cost of external loans and bank overdrafts	(5.7)	(6.5)
Discounting of borrowings and debt	(3.8)	(4.4)
Expenses related to financial instruments	(0.4)	(1.0)
Financial expenses on finance leases	(0.3)	(1.5)
Foreign exchange losses	—	(1.5)
Other financial expenses	(0.5)	(0.1)
Total financial expenses	**(10.7)**	**(15.0)**

6.9 Income tax

The Group opted for tax consolidation in France.

This option concerns all the Group's French companies with the exception of non-material subsidiaries.

6.9.1 Tax expense

The tax expense for the reference years is as follows:

In millions of euros	2012	2011
Current tax expense	(0.3)	(0.7)
Deferred tax income (expense)	(2.8)	19.4
Company Value-Added Contribution (CVAE)	(4.7)	(4.6)
Income tax	**(7.8)**	**14.1**

6.9.2 Nature of deferred tax

Breakdown of deferred tax according by nature before offset :

In millions of euros	2012	2011
Deferred tax on valuation of the AD brand	35.4	39.6
Deferred tax on recognition of losses carryforwards — Poland	1.4	1.7
Deferred tax on adjustments on pension liabilities for companies not consolidated for tax purposes	0.6	0.5
Deferred tax on recognition of losses carryforwards — France	30.0	27.4
Deferred tax on miscellaneous adjustments	0.8	0.5
Deferred tax assets before offset	68.2	69.7
Deferred tax on valuation of the AD brand	(47.2)	(47.2)
Deferred tax on miscellaneous adjustments	(2.6)	(1.3)
Deferred tax liabilities before offset	(49.8)	(48.5)
Deferred tax asset, net	**18.4**	**21.2**

In 2006, the Group exercised the expanded tax base option (possibility to offset income of companies in a previous tax group against losses in the new group to which they belong) for companies consolidated with Autodis for tax purposes. Tax losses carryforwards of this tax consolidation group were offset against the taxable income of the profitable companies in the expanded base in 2012.

Moreover, there is a tax consolidation group in France whose parent company is Parts Holdings (France) and which includes the companies acquired after 2006 and the companies in the expanded tax base (previously consolidated in Autodis).

In 2012, the tax group in France generated a taxable profit.

The French Finance Act of 2013 applicable at 31 December 2012 changed the rules for offsetting tax loss carryforwards. Henceforth, the carryforward of losses is limited to €1 million plus 50% of the profit exceeding that amount, as opposed to 60% in 2011.

The taxable profit is calculated initially at the level of the expanded base by offsetting 50% of the tax loss carryforwards. The result obtained is then included in the PHF tax consolidation group in which the available 50% loss relief of tax-loss carryforwards also applies.

A tax planning exercise for the operations in France was carried out on the basis of the 2013 Group budget and a three-year business plan for France in order to determine the future use of loss carryforwards in light of current loss relief rules so as to assess the deferred tax asset to be recognised in the accounts at 31 December 2012.

This tax planning shows €85.6 million in tax loss carryforwards would be used, i.e., a tax saving of €30.0 million. As a precautionary measure, and as there is little visibility beyond the timeframe of the plan, the deferred tax asset recognised in the financial statements was limited to this amount.

At 31 December 2012, the loss carryforwards, after allocating €12.7 million to 2012, stood at €257 million for the expanded base and €283 million for the PHF tax consolidation group.

Moreover, the deferred tax asset on the AD brand was adjusted at 31 December 2012 owing to the change to the limits for offsetting the losses described above.

No other deferred tax asset was recorded in respect of consolidation adjustments presenting a long-term prospect of reversing. As these adjustments fall outside the time horizon of the Group's 2013 budget and the three-year business plan, the Group deemed it prudent not to record any deferred tax asset after said period, except as a deduction from deferred tax liabilities identified at the year end.

6.9.3 Tax proof

Reconciliation between the effective tax expense and the theoretical tax charge based on the tax rate applicable in France is as follows for the years cited:

In millions of euros	2012	2011
Income (loss) before tax	**17.7**	**115.9**
Theoretical tax: tax rate	35.00%	35.00%
Theoretical tax income (expense)	**(6.2)**	**(40.6)**
Effect of non-taxable income and non-deductible expenses	(3.4)	0.2
Differences in tax rates	—	—
Unrecognised tax losses	(2.7)	(2.8)
Company Value-Added Contribution (CVAE)	(4.7)	(4.6)
Recognition of tax loss carryforwards — France	8.5	61.1
Recognition of tax loss carryforwards — Poland	0.7	0.8
Tax income (expense) recorded in the consolidated income statement	**(7.8)**	**14.1**

7 Dividends paid and proposed

In millions of euros	2012	2011
Dividends approved during the year	—	—

8 Goodwill

8.1 Analysis of changes in gross value and goodwill impairment

In millions of euros	Gross value	Impairment	Net value
At 31 December 2010	**382.7**	**(379.8)**	**2.9**
• business combinations (including business assets)	1.8	—	1.8
• disposals	—	—	—
• impairment for the period	—	(0.5)	(0.5)
• foreign exchange gains (losses)	(2.7)	2.7	—
At 31 December 2011	**381.8**	**(377.6)**	**4.2**
• business combinations (including business assets)	4.0	—	4.0
• disposals	—	—	—
• impairment for the period	—	—	
• foreign exchange gains (losses)	2.1	(2.1)	—
At 31 December 2012	**387.9**	**(379.7)**	**8.2**

Changes in goodwill in 2012

- The acquisition of Station Technique Auto and Station Technique Auto Carrosserie generated goodwill of €1.4 million.
- The acquisition of 80% of the Enssemble group in addition to the 20% already owned generated goodwill of €2.6 million (see Note 4.1.1).

Changes in goodwill in 2011

- The acquisition of Société d'Investissement Automobile and its subsidiaries generated negative goodwill of €0.2 million recorded in financial income.
- The acquisition of APS Saillard and Comptoir Vitryat generated goodwill of €1.2 million.
- The acquisition of Truck Car Services and TC26 generated goodwill of €0.5 million.
- The goodwill of AD Polska was written down by €0.5 million (Note 8.2).

8.2 Impairment tests

Impairment tests on goodwill were carried out in accordance with the methodology set out in Note 3.3.8.

These tests did not result in any additional impairment being recorded in 2012.

9 Intangible assets

In millions of euros	Software and licences	AD brand	Other	Total
Gross value				
At 31 December 2010	**45.8**	**156.9**	**0.7**	**203.4**
• acquisitions (Note 10.2)	5.4	—	—	5.4
• reclassification	0.1	—	(0.1)	—
• disposals	(0.1)	—	—	(0.1)
• business combinations	—	—	—	—
• foreign exchange gains (losses)	(0.2)	—	—	(0.2)
At 31 December 2011	**51.0**	**156.9**	**0.6**	**208.5**
• acquisitions (Note 10.2)	6.1	—	—	6.1
• reclassification	0.2	—	—	0.2
• disposals	(0.4)	—	—	(0.4)
• business combinations	—	—	—	—
• foreign exchange gains (losses)	0.2	—	—	(0.2)
At 31 December 2012	**57.1**	**156.9**	**0.6**	**214.6**
Amortisation/impairment				
At 31 December 2010	**38.1**	**139.8**	**0.3**	**178.2**
• amortisation (Note 10.1)	6.8	—	0.1	6.9
• impairment	0.3	—	—	0.3
• reclassification	—	—	—	—
• reversals of impairment loss	(0.1)	(117.9)	—	(118.0)
• business combinations	—	—	—	—
• foreign exchange gains (losses)	(0.2)	—	—	(0.2)
At 31 December 2011	**44.9**	**21.9**	**0.4**	**67.2**
• amortisation (Note 10.1)	4.9	—	—	4.9
• impairment	0.3	—	—	0.3
• reclassification	—	—	—	—
• reversals	—	—	—	—
• business combinations	—	—	—	—
• foreign exchange gains (losses)	0.2	—	—	0.2
At 31 December 2012	**50.3**	**21.9**	**0.4**	**72.6**
Net value				
At 31 December 2011	6.1	135.0	0.2	141.3
At 31 December 2012	**6.8**	**135.0**	**0.2**	**142.0**

10 Property, plant and equipment

In millions of euros	Land	Property and fixtures	Technical fittings	Vehicles	IT equipment	Furniture	Assets under construction	Total
Gross value								
At 31 December 2010	**2.4**	**73.3**	**37.6**	**12.3**	**20.0**	**4.3**	**1.3**	**151.2**
• acquisitions (Note 10.2)	—	4.0	2.3	1.3	1.2	0.1	1.6	10.5
• reclassification	—	(1.8)	3.0	0.1	0.6	0.2	(1.5)	0.6
• disposals	(0.1)	(1.8)	(1.4)	(2.4)	(2.8)	(0.1)	0.1	(8.5)
• business combinations	—	0.1	—	—	0.1	—	—	0.2
• foreign exchange gains (losses)	—	(0.3)	(0.4)	(0.1)	(0.2)	—	—	(1.0)
At 31 December 2011	**2.3**	**73.5**	**41.1**	**11.2**	**18.9**	**4.5**	**1.5**	**153.0**
• acquisitions (Note 10.2)	—	3.4	2.3	1.7	2.1	0.1	0.2	9.8
• reclassification	—	1.6	(0.5)	0.1	0.2	—	(1.5)	(0.1)
• disposals	—	(1.5)	(0.7)	(1.6)	(0.4)	—	—	(4.2)
• business combinations	2.8	6.0	2.1	1.6	—	—	—	12.5
• foreign exchange gains (losses)	—	—	0.4	—	0.2	—	—	0.6
At 31 December 2012	**5.1**	**83.0**	**44.7**	**13.0**	**21.0**	**4.6**	**0.2**	**171.6**
Depreciation/impairment								
At 31 December 2010	**0.5**	**46.8**	**30.5**	**9.3**	**16.5**	**3.4**	**—**	**107.0**
• depreciation (Note 10.1)	—	4.3	2.7	1.2	2.1	0.2	—	10.5
• impairment	0.3	0.2	1.5	0.1	0.7	0.2	0.2	3.2
• reclassification	—	(0.9)	1.4	0.1	—	—	—	0.6
• reversals	—	(0.7)	(1.3)	(2.1)	(2.7)	(0.1)	—	(6.9)
• business combinations	—	(0.1)	—	—	0.1	—	—	—
• foreign exchange gains (losses)	—	(0.1)	(0.4)	(0.1)	(0.3)	—	—	(0.9)
At 31 December 2011	**0.8**	**49.5**	**34.4**	**8.5**	**16.4**	**3.7**	**0.2**	**113.5**
• depreciation (Note 10.1)	—	4.6	2.9	1.2	1.3	0.2	—	10.2
• impairment	—	—	—	—	—	—	—	—
• reclassification	—	1.0	(1.0)	—	0.1	0.1	(0.2)	—
• reversals	—	(0.9)	(0.6)	(1.5)	(0.4)	—	—	(3.4)
• business combinations	0.1	2.6	1.1	1.3	—	—	—	5.1
• foreign exchange gains (losses)	—	—	0.4	—	0.2	—	—	0.6
At 31 December 2012	**0.9**	**56.8**	**37.2**	**9.5**	**17.6**	**4.0**	**—**	**126.0**
Net value								
At 31 December 2011	1.5	24.0	6.7	2.7	2.5	0.8	1.3	39.5
At 31 December 2012	**4.2**	**26.2**	**7.5**	**3.5**	**3.4**	**0.6**	**0.2**	**45.6**

Property, plant and equipment held under finance leases is set out in Note 29.2.

10.1 Reconciliation of depreciation/amortisation expense recorded in the income statement

	2012	2011
• intangible assets (Note 9)	(4.9)	(6.8)
• property, plant and equipment (Note 10)	(10.2)	(10.2)
Depreciation/amortisation expense	**(15.1)**	**(17.0)**

10.2 Reconciliation of acquisitions of property, plant and equipment and intangible assets presented in the statement of cash flows

	2012	2011
• intangible assets (Note 9)	6.1	5.4
• property, plant and equipment (Note 10)	9.8	10.5
Acquisitions of non-current assets	**15.9**	**15.9**

11 Investments in associates

In millions of euros	ENSSEMBLE	NEOPARTS	AD INTERNATIONAL	Total
At 31 December 2010	**2.1**	**—**	**0.3**	**2.4**
• net income (loss)	0.4	—	—	0.4
• dividends paid	—	—	—	—
• other changes	—	0.2	0.1	0.3
At 31 December 2011	**2.5**	**0.2**	**0.4**	**3.1**
• net income (loss)	0.1	(0.1)	—	(0.0)
• dividends paid	—	—	(0.1)	(0.1)
• other changes(*)	(2.6)	—	—	(2.6)
At 31 December 2012	**—**	**0.1**	**0.3**	**0.4**

(*) The change in the equity interest in the Enssemble group is attributable to the acquisition of a controlling interest (see Note 4.1.1). The revaluation surplus is not material.

Key indicators at 31 December 2012 (100% data)

In millions of euros	NEOPARTS	AD INTERNATIONAL
Total current assets	6.3	10.7
Total non-current assets	0.7	0.6
Total current liabilities	5.0	9.8
Total non-current liabilities	1.6	0.0
Total equity	0.4	1.5
Total revenue	18.6	0.0
Net income (loss)	(0.5)	(0.4)

The Group's interest in each of the equity-accounted companies cited above is set out in Note 26.

12 Available-for-sale financial assets

The table below summarises the available-for-sale financial assets corresponding to non-consolidated equity investments measured at fair value at 31 December 2012.

Companies (€m)	% interest	Gross value	Impairment	Net value
AD Maroc	7.7%	0.27	0.27	—
SCI Morangis	10.3%	0.06	—	0.06
Other		0.29	0.03	0.26
Total		**0.62**	**0.30**	**0.32**

At 31 December 2011:

Companies (€m)	% interest	Gross value	Impairment	Net value
AD Maroc	8.4%	0.27	0.27	—
SCI Morangis	10.3%	0.06	—	0.06
Other		0.29	0.03	0.26
Total		**0.62**	**0.30**	**0.32**

13 Other non-current assets

In millions of euros	Receivables from controlled entities	Loans	Guarantees and deposits	Other	Total
Gross value					
At 31 December 2010	**0.3**	**0.7**	**4.9**	**0.2**	**6.1**
• acquisitions	—	0.3	0.3	0.3	0.9
• reclassification	—	—	0.2	—	0.2
• disposals	(0.3)	(0.1)	(0.2)	—	(0.6)
• business combinations	—	—	—	—	—
• foreign exchange gains (losses)	—	—	—	—	—
At 31 December 2011	**—**	**0.9**	**5.2**	**0.5**	**6.6**
Amortisation, depreciation and impairment	—	—	—	(0.1)	(0.1)
Net value at 31 December 2011	**—**	**0.9**	**5.2**	**0.4**	**6.5**

In millions of euros	Receivables from controlled entities	Loans	Guarantees and deposits	Other	Total
Gross value					
At 31 December 2011	**—**	**0.9**	**5.2**	**0.5**	**6.6**
• acquisitions(A)	—	1.0	0.5	3.3	4.8
• reclassification	—	—	—	—	—
• disposals	—	(0.3)	—	(0.2)	(0.5)
• business combinations(B)	—	—	1.1	0.1	1.2
• foreign exchange gains (losses)	—	—	—	—	—
At 31 December 2012	**—**	**1.6**	**6.8**	**3.7**	**12.1**
Amortisation, depreciation and impairment	—	—	—	—	—
Net value at 31 December 2012	**—**	**1.6**	**6.8**	**3.7**	**12.1**

(A) The €3.3 million listed under "Other" corresponds to the payment on 31 December 2012 in respect of FPLS shares purchased on 1 January 2013, the transfer date of the shares. The amount is not consolidated in the Group's financial statements at 31 December 2012.

(B) The €1.1 million listed under "Guarantees and deposits" corresponds to the partial triggering of the vendor's liability guarantee agreed at the time of the acquisition of the Enssemble group.

14 Inventories

In millions of euros	31 Dec. 2012	31 Dec. 2011
Gross value	196.6	187.7
Impairment	(19.9)	(17.5)
Net value	**176.7**	**170.2**

15 Trade and other receivables

In millions of euros	31 Dec. 2012	31 Dec. 2011
Trade receivables	174.6	188.6
Discounts, rebates and refunds	(16.2)	(10.5)
Impairment	(10.5)	(10.1)
Net value	**147.9**	**168.0**

The Autodistribution group entered into a factoring agreement with Eurofactor for a total of €35.0 million. There is no offsetting effect of the factoring agreement in the consolidated financial statements.

The Group has drawn down its credit lines in an amount of between €8.0 million and €10.0 million since June 2012. At 31 December 2012, the balance of drawdowns stood at €6.6 million and the fair value of the receivables transferred stood at €29.4 million.

At 31 December 2012, the analysis of receivables past due but not impaired is summarised as follows:

			Trade receivables past due				
In millions of euros	**Total**	**Not yet due**	**Less than 30 days**	**Between 30 and 60 days**	**Between 60 and 90 days**	**Between 90 and 120 days**	**More than 120 days**
Trade receivables	174.6	158.4	7.5	3.3	1.1	0.5	3.8
DRR(*)	(16.2)						
Impairment	(10.5)						
Total	**147.9**						

(*) Discounts, rebates and refunds

At 31 December 2012, impairment relates primarily to trade receivables past due.

At 31 December 2011, the analysis of trade receivables past due but not impaired was:

			Trade receivables past due				
In millions of euros	**Total**	**Not yet due**	**Less than 30 days**	**Between 30 and 60 days**	**Between 60 and 90 days**	**Between 90 and 120 days**	**More than 120 days**
Trade receivables	188.6	169.2	5.9	2.5	1.0	0.7	9.3
DRR(*)	(10.5)						
Impairment	(10.1)						
Total	**168.0**						

(*) Discounts, rebates and refunds

Changes in impairment of trade and other receivables can be broken down as follows:

	2012		2011	
	Trade receivables	**Other receivables**	**Trade receivables**	**Other receivables**
Balance at 1 January	**10.1**	**0.1**	**12.0**	**0.2**
Allocation	3.3	—	3.5	—
Reversal	(3.4)	—	(5.5)	(0.1)
Changes in scope	0.5	—	0.1	—
Reclassifications	—	—	—	—
Balance at 31 December	**10.5**	**0.1**	**10.1**	**0.1**

16 Other current assets

In millions of euros	**31 Dec. 2012**	**31 Dec. 2011**
Prepaid income	7.4	8.0
Other receivables	0.1	2.3
Accrued income	1.9	2.8
Other	0.2	0.2
Total	**9.6**	**13.3**

17 Cash and cash equivalents

In millions of euros	31 Dec. 2012	31 Dec. 2011
Cash equivalents	46.0	70.7
Cash on hand and at bank	12.2	0.7
Restricted cash	0.2	0.1
Total	**58.4**	**71.5**

Cash equivalents include LCL fixed-term deposits (€4.1 million), Caisse d'Epargne term accounts (€0.4 million) and open-ended collective investment scheme (SICAV) taken out with Amundi and BNPP (€41.6 million). These investments meet the cash equivalent criteria.

The book value of all these items corresponds to their fair value.

For the purposes of the consolidated statement of cash flows, the heading "Cash and cash equivalents" includes the following items at 31 December:

In millions of euros	31 Dec. 2012	31 Dec. 2011
Cash equivalents	46.0	70.7
Cash on hand and at bank	12.2	0.7
Restricted cash	0.2	0.1
Bank overdrafts (Note 20.2)	(8.3)	(8.0)
Net cash (liability)	**50.1**	**63.5**

18 Issued capital and reserves

Parts Holdings (France) SAS was incorporated on 18 January 2006 via a fully paid-up cash subscription of €37,000. In connection with the acquisition of the Autodis Group, its capital was increased on 1 March 2006 by a cash contribution of €55,900,000 and on 23 June 2006 by inclusion of a shareholder current account of €1,100,000, thereby bringing it to €57,037,000. As a result of refinancing on 21 April 2009, the capital increased to €152,598,261. The company is wholly owned by Parts Holdings Coöperatief U.A.

At 31 December 2012, it consists of 152,598,261 registered shares of €1 each. No preference shares were issued.

There was no change in the number of shares between 2011 and 2012.

19 Presentation of financial assets and liabilities

At 31 December 2012:

In millions of euros	Assets/liabilities at fair value through income	Assets/ liabilities at amortised cost	Available-for-sale assets at fair value	Total net book value	Total fair value
Available-for-sale financial assets	—	—	0.3	0.3	0.3
Other non-current assets	—	12.1	—	12.1	12.1
Trade receivables	—	147.9	—	147.9	147.9
Other current assets	—	9.6	—	9.6	9.6
Cash and cash equivalents	45.7	12.7	—	58.4	58.4
Derivative financial instruments	—	—	—	—	—
Financial assets	**45.7**	**182.3**	**0.3**	**228.3**	**228.3**
Borrowings and debt (current and non-current)	—	205.5	—	205.5	205.5
Trade payables	—	138.0	—	138.0	138.0
Other non-current liabilities	—	4.4	—	4.4	4.4
Other current liabilities(1)	—	6.5	—	6.5	6.5
Derivative financial instruments	—	—	—	—	—
Financial liabilities	**—**	**354.4**	**—**	**354.4**	**354.4**

At 31 December 2011:

In millions of euros	Assets/liabilities at fair value through income	Assets/ liabilities at amortised cost	Available-for-sale assets at fair value	Total net book value	Total fair value
Available-for-sale financial assets	—	—	0.3	0.3	0.3
Other non-current assets	—	6.5	—	6.5	6.5
Trade receivables	—	168.0	—	168.0	168.0
Other current assets	—	13.3	—	13.3	13.3
Cash and cash equivalents	60.6	10.9	—	71.5	71.5
Derivative financial instruments	—	—	—	—	—
Financial assets	**60.6**	**198.7**	**0.3**	**259.6**	**259.6**
Borrowings and debt (current and non-current)	—	218.0	—	218.0	218.0
Trade payables	—	151.4	—	151.4	151.4
Other non-current liabilities	—	3.6	—	3.6	3.6
Other current liabilities(1)	—	5.9	—	5.9	5.9
Derivative financial instruments	—	0.9	—	0.9	0.9
Financial liabilities	**—**	**379.8**	**—**	**379.8**	**379.8**

(1) excluding tax and social security liabilities outside the scope of IAS 39.

20 Borrowings and debt

20.1 Group financing

In 2012, Group financing remained stable compared to 2011 and can be broken down as follows:

The Group has four interest-free loans:

Type of borrowings and debt	Nominal value (€m)	Fair value at 31 Dec. 2012 (€m)	Value at amortised cost at 31 Dec. 2012 (€m)	Variable interest rate	Margin on variable interest rate	Maturity	Comments
PH free shareholder loan	50.0	43.2	43.2	—	—	April 2060	Fully underwritten
Sup Bonds	25.5	22.0	22.0	—	—	April 2017	Fully underwritten
EP bonds	2.6	2.3	2.3	—	—	April 2017	Fully underwritten
Promissory note	5.0	4.3	4.3	—	—	April 2017	Fully underwritten
Total	**83.1**	**71.8**	**71.8**	**—**	**—**		

In accordance with IAS 32/39, the interest-free loans have been discounted since 2009 with a repayment assumption in April 2013. This assumption was extended to April 2017 generating a change in fair value and recorded in equity at €10.0 million as the transaction was between shareholders.

Other means of financing are listed below:

Type of borrowings and debt	Nominal value (€m)	Value (€m)	Interest eligible for capitalisation — April	Variable interest rate(1)	Margin on variable interest rate	Maturity	Comments
PH senior equity loan	30.0	17.3	8.0%	—	—	April 2018	Fully underwritten
Refinancing term facility loan	81.1	73.3	—	Euribor	2.75%	April 2016	Fully underwritten
Corporate purposes term facility	23.4	21.2	—	Euribor	2.75%	April 2016	Fully underwritten

(1) 1, 2, 3, or 6-month Euribor depending on the term of the drawdown period.

As in 2011, €15.0 million was repaid in advance of term on the above borrowings on 30 June 2012. This repayment broke down as follows:

	Early repayment
PH senior equity loan	10.0
Refinancing term facility loan	3.9
Corporate purposes term facility	1.1
Total	**15.0**

A similar repayment is expected to be made in 2013.

20.2 Breakdown of borrowings and debt by type

In millions of euros	Notes	2012	2011
Non-current			
• Corporate purposes term facility		19.4	22.3
• Promissory note		4.3	4.7
• Refinancing term facility loan		67.0	77.2
• PH senior equity loan		8.4	26.7
• PH free shareholder loan		43.2	47.1
• Sup bonds		22.0	24.1
• EP bonds		2.3	2.5
• Amounts owed under finance leases (more than one year)	(1)	0.2	0.7
• Other borrowings and accrued interest	(2)	0.9	0.3
Sub-total of non-current borrowings and debt		**167.7**	**205.6**
Current			
• Corporate purposes term facility		1.8	—
• Refinancing term facility loan		6.3	—
• PH senior equity loan		10.0	—
• Value of put option held by minority shareholders		3.9	3.9
• Amounts owed under finance leases (less than one year)	(1)	0.1	0.5
• Other borrowings (less than one year)	(2)	0.8	—
• Eurofactor factoring		6.6	—
• Bank overdrafts (Note 17)	(3)	8.3	8.0
Sub-total of current borrowings and debt		**37.8**	**12.4**
Total borrowings and debt		**205.5**	**218.0**

(1) Amounts owed under finance leases are the result of leases and sale and leaseback agreements for financing the purchase of vehicles and certain investments in real estate, IT and furniture.

(2) Borrowings and debts incurred by some of the Group's subsidiaries

(3) Bank overdraft used by the subsidiaries in Poland and bank account debit balances resulting from standard time lags between recording date for banking purposes and entry dates in the accounts.

20.2.1 Bond issues

The balance of bond issues at 31 December 2012 is broken down below:

Bond issue	Value at issue date (€m)	Liabilities at amortised cost	Fair value at 31 Dec. 2012 (€m)	Including interest eligible for capitalisation	Including accrued interest eligible for capitalisation	Including accrued interest payable
SUP Notes	25.5	22.0	22.0	—	—	—
EP Notes	2.6	2.3	2.3	—	—	—

20.2.2 Bank overdrafts

Interest on bank overdrafts used by the Group and its subsidiaries is charged at market rates. At 31 December 2012, the Group had available credit lines of €61.8 million as follows:

	Conditions	Drawdowns
Poland — Pekao Bank	PLN 24.0 million (i.e., €5.9 million at 31 Dec. 2012) at 1-month Wibor +1.70%	Partial drawdown of €5.6 million
BNPP — Ancillary facility	€2.9 million at 1, 2, 3 or 6-month Euribor +2.75%	Not drawn
Eurofactor AD and Gadso factoring	€35.0 million at 3-month Euribor +0.90%	Partial drawdown of €6.6 million
LCL Dailly	€15.0 million at 1-month Euribor +1.80%	Not drawn
Enssemble group — SG, BP, HSBC, BNP	Overdrafts: €3.0 million	Partial drawdown of €2.8 million

20.3 Breakdown of non-current borrowings and debt by maturity

The amounts below include contractual cash flows net of projected repayments plus interest payable.

20.3.1 At 31 December 2012

	Interest payment				Gross repayments				
In millions of euros	**Less than 1 year**	**Between 1 and 5 years**	**More than 5 years**	**Total**	**Less than 1 year**	**Between 1 and 5 years**	**More than 5 years**	**Total**	
Corporate purposes term facility	0.9	1.7	—	**2.6**	1.8	19.4	—	**21.2**	**23.8**
Promissory note	—	—	—	**0.0**	—	5.0	—	**5.0**	**5.0**
Refinancing term facility loan	3.0	6.0	—	**9.0**	6.3	67.0	—	**73.3**	**82.3**
PH senior equity loan	—	2.4	—	**2.4**	10.0	7.3	—	**17.3**	**19.7**
PH free shareholder loan	—	—	—	**0.0**	—		50.0	**50.0**	**50.0**
Sup bonds	—	—	—	**0.0**	—	25.5	—	**25.5**	**25.5**
EP bonds	—	—	—	**0.0**	—	2.6	—	**2.6**	**2.6**
Amounts owed under finance leases	—	—	—	**0.0**	0.2	0.2	—	**0.4**	**0.4**
Other borrowings and accrued interest	—	—	—	**0.0**	0.6	0.9	—	**1.5**	**1.5**
Total non-current borrowings and debt	**3.9**	**10.1**	**—**	**14.0**	**18.9**	**127.9**	**50.0**	**196.8**	**210.8**

20.3.2 At 31 December 2011

	Interest payment				Gross repayments				
In millions of euros	**Less than 1 year**	**Between 1 and 5 years**	**More than 5 years**	**Total**	**Less than 1 year**	**Between 1 and 5 years**	**More than 5 years**	**Total**	
Corporate purposes term facility	0.9	3.5		**4.5**		22.3		**22.3**	**26.8**
Promissory note				**0.0**			5.0	**5.0**	**5.0**
Refinancing term facility loan	3.3	12.2		**15.5**		77.2		**77.2**	**92.7**
PH senior equity loan			15.8	**15.8**			25.1	**25.1**	**40.9**
PH free shareholder loan				**0.0**			50.0	**50.0**	**50.0**
Sup Bonds				**0.0**			25.5	**25.5**	**25.5**
EP bonds				**0.0**			2.6	**2.6**	**2.6**
Amounts owed under finance leases	0.1	0.1		**0.2**	0.5	0.7		**1.2**	**1.4**
Other borrowings and accrued interest				**0.0**	0.3			**0.3**	**0.3**
Total non-current borrowings and debt	**4.3**	**15.9**	**15.8**	**36.0**	**0.8**	**100.2**	**108.2**	**209.2**	**245.2**

21 Management objectives and policies for financial risks

The Group's main instruments consist of borrowings and bank overdrafts, amounts owed under finance leases, trade payables, lease agreements with a purchase option and loans granted. The key objective of these financial instruments is to finance the Group's operating activities. The Group has other financial assets such as trade receivables, cash and cash equivalents and short-term deposits, which are generated directly by its operations.

The main risks related to the Group's financial instruments are cash flow interest rate risks, foreign exchange risks, counterparty risk and liquidity risk. These policies are summarised below.

Moreover, the Group manages its capital in such a way as to optimise the debt to capital ratios and the financial leverage obtained by debt.

21.1 Interest rate risk

The Group borrows from Citibank at a variable rate and is therefore exposed to an interest rate risk for this portion of the debt.

The Group hedged a portion of its variable-rate debt by purchasing a cap in January 2010 in order to limit its exposure to interest rate fluctuations. The cap expired on 31 December 2012. The Group did not wish to take out further hedges in light of current market conditions.

21.2 Foreign exchange risk

The Group is exposed to exchange rate risk for its operations in Poland accounted for in zloty and translated in the consolidated financial statements in accordance with the principles described in Note 3.3.2.

The resulting translation differences are allocated directly to a separate line item under equity and were not material at 31 December 2012. No specific hedges were taken out for this exchange risk.

21.3 Counterparty risk

The Group only has commercial relationships with third parties that are financially healthy. The Group's policy is to verify the financial health of all customers that wish to obtain payment credit terms. Moreover, customer balances are continually monitored and, accordingly, the Group's exposure to bad debt is not material.

Regarding the credit risk relating to the Group's other financial assets, particularly cash and cash equivalents, available-for-sale financial assets and some derivative instruments, the Group's exposure relates to potential defaults by the relevant third parties with a maximum exposure equal to the carrying amount of these instruments.

21.4 Liquidity risk

The Group's objective is to maintain a balance between the continuity and flexibility of financing through the use of bank borrowings, bonds, finance leases and purchases on credit.

The bank borrowings with Citibank and the bonds issued by Autodis are subject to compliance with bank covenants calculated on a quarterly basis from June 2012. Failure to comply with these covenants may result in early repayment of credit lines (see below).

The financial ratios used in the covenants are calculated on the basis of the Group's consolidated financial statements as follows:

- Net borrowings/proforma EBITDA,
- Cash flow/servicing of the debt.

The thresholds to be complied with for the "net borrowings/proforma EBITDA" ratio are as follows:

Payment due date 30 June 2012 — ratio below 3.25

Payment due date 30 September 2012 — ratio below 3.00

Payment due date 31 December 2012 — ratio below 2.75

Payment due date 31 March 2013 — ratio below 2.50

Payment due date 31 December 2013 — ratio below 2.25

Payment due date 30 June 2014 — ratio below 2.10

Payment due date 30 September 2014 — ratio below 2.00

The "Cash flow/servicing of the debt" ratio must be above 1 at each maturity.

The Group has calculated and complied with these ratios since 30 June 2012.

21.5 Capital management

The Group's main objective in terms of its capital management is to ensure that it maintains a good credit risk rating and healthy capital ratios so as to facilitate its operations and maximise value for shareholders.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group can adjust the payment of dividends to shareholders, repay some of the capital or issue new shares.

22 Liabilities relating to employee benefits

The provisions recorded in the statement of financial position relate to post-employment benefits.

22.1 Changes in the provision on the statement of financial position

In millions of euros	2012	2011
Obligation at 1 January	**13.8**	**18.3**
Service cost	0.9	0.6
Discounting cost	0.6	0.8
Actuarial losses (gains)(*)	1.6	(5.4)
Change in scope	0.2	—
Curtailments/terminations	(0.1)	—
Benefits paid	(0.3)	(0.5)
Obligation at 31 December	**16.7**	**13.8**
Plan assets at 31 December	(0.3)	(0.3)
Unrecognised actuarial gains (losses)	9.2	11.8
Provision before IFRS 5 reclassification	**25.6**	**25.3**
Discontinued operations — IFRS 5	(0.1)	—
Provision at 31 December	**25.5**	**25.3**

(*) In 2011, significant actuarial gains of €5.4 million were primarily a result of a change in the projected turnover rate of employees following a study conducted at that time.

The provision recorded in the statement of financial position has changed as follows:

In millions of euros	2012	2011
Provision at 1 January	25.3	24.7
Expense for the year	0.4	1.1
Benefits paid	(0.3)	(0.5)
Changes in scope/curtailments	0.2	—
Benefits paid by the fund	—	—
Provision before IFRS 5 reclassification	**25.6**	**25.3**
Discontinued operations — IFRS 5	**(0.1)**	**—**
Provision at 31 December	**25.5**	**25.3**

22.2 Costs of post-employment benefits recorded in income statement

In millions of euros	2012	2011
Service cost	(0.9)	(0.6)
Discounting cost	(0.6)	(0.8)
Recognised actuarial gain (loss)	1.1	0.3
Curtailments/terminations	—	—
Expense for the year	**(0.4)**	**(1.1)**

22.3 Actuarial assumptions

The basic assumptions made for these calculations (employee turnover rate and salary increase rate) have been determined on the basis of the Group's projected and historical policy. The assumptions made for the valuations of the referenced periods are as follows:

	2012		2011	
	France	Poland	France	Poland
Discount rate	2.80%	4.18%	4.30%	5.80%
Assumption relating to long-term changes in the number of employees				
Employees — supervisors	2.50%/year	3.50%/year	2.50%/year	3.50%/year
Managerial staff	3.50%/year	4.50%/year	3.50%/year	4.50%/year

Since 2011, the mortality tables used are TGH 05 and TGF 05. They include both the "gender" factor and the "age" factor.

The discount rates applied are obtained by reference to the long-term yield on investment grade bonds.

Employee turnover rates are shown in the table below:

	2012			2011		
Age	Managerial staff	Technical and supervisory staff	Employees	Managerial staff	Technical and supervisory staff	Employees
16-24	22%	8%	19%	22%	8%	19%
25-29	22%	8%	14%	22%	8%	14%
30-34	13%	8%	14%	13%	8%	14%
35-39	13%	8%	11%	13%	8%	11%
40-44	13%	8%	9%	13%	8%	9%
45-49	5%	3.5%	3.5%	5%	3.5%	3.5%
50-55	3.5%	3%	3%	3.5%	3%	3%
56 and over	0%	0%	0%	0%	0%	0%

23 Other non-current liabilities

In millions of euros	31 Dec. 2012	31 Dec. 2011
Employee profit-sharing	—	—
Guarantees and deposits received	1.7	1.6
Other	2.7	2.1
Total	**4.4**	**3.7**

24 Current and non-current provisions

24.1 Current provisions

Current provisions have changed as follows:

In millions of euros	1 Jan. 2012	Business Combinations	Reclassif-ications	Allocations	Reversals (used provisions)	Reversals (surplus provisions)	Total reversals	31 Dec. 2012
Industrial disputes	**1.5**	—	—	1.3	0.3	0.5	0.8	**2.0**
Site closures(*)	**2.0**	—	1.2	0.1	1.6	—	1.6	**1.7**
Repairs — major work	**0.8**	0.1	—	—	0.1	—	0.1	**0.8**
Tax risk	**2.4**	1.0	—	—	0.2	1.1	1.3	**2.1**
Provision for the risk relating to conditions of sale of AD Rhône	**2.2**	(2.2)	—	—	—	—	—	**—**
Supplier disputes	**0.3**	—	—	—	—	—	—	**0.3**
Customer disputes	**0.4**	—	—	0.1	—	—	—	**0.5**
Other provisions	**0.5**	0.4	—	0.5	0.5	0.1	0.6	**0.8**
Total	**10.1**	**(0.7)**	**1.2**	**2.0**	**2.7**	**1.7**	**4.4**	**8.2**

In the ordinary course of its operations, the Group may be involved in legal procedures relating to industrial disputes, commercial disputes, etc. In these cases, in conjunction with its legal advisors, the Group analyses the circumstances of the dispute and assesses the probability of an outflow of resources.

In 2012, the provision for risks relating to the terms of the sale of AD Rhône to Mr Gobillot in 2004 was extinguished at Group level following the acquisition of the Enssemble group, which includes AD Rhône.

The balance of €1.5 million listed under "Business Combinations" corresponds to the provisions recorded at the time of the provisional purchase price allocation for the Enssemble group. These provisions are mostly offset by a vendor's liability guarantee in the amount of €1.1 million.

(*) The reversal of the provision for site closures at Logisteo amounts to €1.5 million, less a discounting adjustment of €0.3 million.

24.2 Non-current provisions

Movement in non-current provisions were as follows:

In millions of euros	1 Jan. 2012	Business Combinations	Reclassif-ications	Allocations	Reversals (used provisions)	Reversals (surplus provisions)	Total reversals	31 Dec. 2012
Site closures	**6.0**		(1.2)					**4.8**
Total	**6.0**		**(1.2)**					**4.8**

The non-current provision for site closures relates to the closure of Logisteo's "B" site at Moissy Cramayel, explained in Note 6.6.

25 Trade payables and other current liabilities

In millions of euros	31. Dec. 2012	31 Dec. 2011
Trade payables	**138.0**	**151.4**
Other current liabilities		
Tax and social security liabilities, employees	51.8	54.1
Employee profit-sharing (current)	1.2	0.7
Other payables	2.8	2.7
Prepaid income	2.5	2.5
Sub-total	**58.4**	**60.0**
Total	**196.4**	**211.4**

26 Scope of consolidation

At 31 December 2012, the scope of consolidation was as follows:

	Consolidation method	Country	% interest 2012	% interest 2011
Parts Holdings (France)	Parent	France	100	100
AD Bassin Parisien Nord	Full	France	99.99	99.99
Arnaudiès	Full	France	100	100
Auto Contrôle SARL (Enssemble group)	Full	France	100	20
Autodis	Full	France	100	100
Autodistribution SOGO (formerly MEXIA)(1)	Full	France	99.95	99.95
SDFM	Full	France	100	100
Magenta Autos Pièces	Full	France	99.97	99.97
Autodistribution	Full	France	100	100
AD Grand Ouest	Full	France	100	100
AD Normandie Maine	Full	France	79.40	79.40
ALES PL	Full	France	50.50	50.50
AM Développement	Full	France	100	100
Andrieu SARL (Enssemble group)	Full	France	100	20
Boury V.I.	Full	France	100	100
Bremstar	Full	France	100	100
Bugisy (Enssemble group)	Full	France	100	20
Busnengo	Full	France	99.98	99.98
Cofirhad	Full	France	100	100
Cogemad	Full	France	100	100
Comptoir du Frein	Full	France	100	100
Comptoir Technique V.I.	Full	France	100	100
Comptoir Technique du Limousin	Full	France	100	100
Comptoir V.I.	Full	France	50.50	50.50
Comptoir Vitryat(2)	Full	France		100
Cora SAS	Full	France	100	100
Digital Aftermarket (formerly Cofirad)(3)	Full	France	100	100
Etablissements Rembaud	Full	France	100	100
Etablissements Saillard(2)	Full	France		100
Enssemble SAS	Full	France	100.00	20.00
FIA	Full	France	100	100
FRA SARL (Group Enssemble)	Full	France	100	20
Gadca	Full	France	100	100
Gadest	Full	France	100	100
Gadso	Full	France	100	100
Gibelin	Full	France	99.92	99.92
Girde	Full	France	100	100
H.I.S.	Full	France	100	100
Immax	Full	France	100	100
Jean David(4)	Full	France		100
JP David(4)	Full	France		100
Logisteo	Full	France	100	100
Lorat SCI (Enssemble group)	Full	France	100	20
Malinge Chevalier	Full	France	79.40	79.40
PAM	Full	Belgium	100	100
PAO	Full	Belgium	100	100
PAPL (Enssemble group)	Full	France	100	20
Plateforme Technique Nationale Montajault	Full	France	100	100
Val de Loire PL (formerly Poids Lourds Blesois)	Full	France	100	100

	Consolidation method	Country	% interest 2012	% interest 2011
Porteret et Gobillot (Enssemble group)	Full	France	100	20
SIA[(4)]	Full	France		100
Sofar	Full	France	75.00	75.00
Station Technique Auto	Full	France	100	
Station Technique Auto Carrosserie	Full	France	100	
Sylmart Belgium	Full	Belgium	100	100
Synimalau SCI (Enssemble group)	Full	France	100	20
Teulat[(4)]	Full	France		100
TC26	Full	France	100	100
Truck & Car Services	Full	France	100	100
Parts Distribuzione Italia	Full	Italy	90.82	73.17
Parts HoldingS Italy	Full	Italy	100	100
AD Polska	Full	Poland	100	100
AD Polska Aftermarket	Full	Poland	100	100
AD International	Equity method	Belgium	20.00	20.00
Neoparts	Equity method	France	20.00	20.00

(1) Mexia changed its business name to Autodistribution Sogo. Its objective is to provide services relating to quality, safety, the environment and legal metrology.

(2) All assets and liabilities of Comptoir Vitryat and Etablissements Saillard were transferred to Gadest in 2012.

(3) Cofirad changed its business name to Digital Aftermarket. Its business concerns the development and operation of websites that can provide editorial content and information and the sale and online reservation of products and services.

(4) All assets and liabilities of Jean David, JP David, SIA and Teulat were transferred to AD Bassin Parisien Nord in 2012.

27 Transactions with related parties

Relationship with the shareholder

The sole shareholder of Parts Holdings (France) is Parts Holdings BV.

Parts Holdings BV, which is owned by Parts Holdings Coöperatief U.A., finances the Group via the following loans: PH free shareholder loan and PH senior equity loan described in Note 20.1.

The Group pays management fees of €0.14 million per quarter to Parts Holdings Coop and €0.01 million per quarter to Parts Holdings BV.

28 Management compensation

The key management personnel of a group within the meaning of IAS 24 are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

The Group's key management personnel are the members of the Executive Committee, directors, area managers and general brand managers. The amounts reported in the 2011 annual report included only directors and members of the Executive Committee. They were therefore adjusted in order to comply with the new definition.

Compensation recorded in PHF expenses for 2012 and 2011 are set out in the table below.

In millions of euros	2012	2011
Basic salaries	**6.9**	**7.3**
Bonuses	1.6	2.5
Payroll costs (excl. paid leave and termination benefits)	3.1	2.9
Pensions, provision for paid leave and benefits in kind	—	(0.1)
Profit-sharing and incentive plans	—	—
Termination benefits	0.4	0.5
Net personnel costs	**12.0**	**13.1**

Moreover, no directors' fees have been paid or are due to be paid in respect of 2012.

29 Commitments

29.1 Commitments in respect of operating leases where the Group is the lessee

The Group has entered into operating leases relating primarily to real estate and light and commercial vehicles as well as payment terminals and miscellaneous IT and office equipment.

The minimum future rents payable under the non-cancellable operating leases are as follows at 31 December 2012:

29.1.1 Poland

In millions of euros	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Real estate rental	1.8	5.6	—	**7.4**
Vehicle rental	0.3	0.3	—	**0.6**
Other	—	—	—	**—**
Total	**2.1**	**5.9**	**—**	**8.0**

29.1.2 France

In millions of euros	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Real estate rental	27.3	69.5	7.6	**104.4**
Vehicle rental	3.8	7.0	—	**10.8**
Other	1.8	2.1	0.1	**4.0**
Total	**32.9**	**78.6**	**7.7**	**119.2**

Rental expenses for 2012 amount to €37.8 million.

29.2 Commitments to finance leases and similar leases

29.2.1 Poland

At 31 December 2012, AD Polska and its affiliates had not entered into any finance leases.

29.2.2 France

The following tables show the information relating to non-current assets held under finance leases in France.

In millions of euros	Software and licences	Property and fixtures	IT equipment	Furniture	Total
Gross value					
At 31 December 2011	**0.0**	**0.0**	**2.7**	**0.0**	**2.7**
• acquisitions	—	—	—	—	—
• reclassifications	—	—	—	—	—
• business combinations	—	2.1	—	—	2.1
• repurchases	—	—	(2.7)	—	(2.7)
At 31 December 2012	**0.0**	**2.1**	**0.0**	**0.0**	**2.1**
Depreciation, amortisation and impairment					
At 31 December 2011	**0.0**	**0.0**	**1.5**	**0.0**	**1.5**
• acquisitions	—	—	—	—	—
• allocations	—	—	0.6	—	0.6
• reclassifications	—	—	—	—	—
• business combinations	—	0.4	—	—	0.4
• repurchases	—	—	(2.1)	—	(2.1)
At 31 December 2012	**0.0**	**0.4**	**0.0**	**0.0**	**0.4**
Net value					
At 31 December 2011	0.0	0.0	1.2	0.0	1.2
At 31 December 2012	**0.0**	**1.7**	**—**	**—**	**1.7**

In millions of euros	2011	New financing	Business Combinations	Repayment	2012	Outstanding capital: Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Borrowings and debt	**1.2**		0.4	(1.2)	**0.4**	0.2	0.2	0.0	**0.4**

Commitments for minimum future rentals payable under finance leases entered into are as follows:

	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Rentals	0.2	0.2	0.0	**0.4**

29.3 Guarantees

29.3.1 Guarantees relating to the "Senior Facilities Agreement"

Pledges

The financing framework agreement with Citibank established on 24 February 2006 to which several amendments have been made, the last being in 2009, provides for the pledge of some of the assets of Autodis and its subsidiaries to lenders, detailed as follows:

- Pledge of equity interest:

Pledged securities (In numbers of shares)	Autodis	SDFM	Magenta Auto Pièces	Autodistribution
Autodistribution	3,790,300	158,472	149,996	
SDFM	175,297			
Magenta Auto Pièces	8,557			
Cogemad				417,464
FIA				78,985
Gadso				978,604
Cofirhad				195,170
Gadest				2,846,164
AD Grand Ouest				1,815,040
Autodistribution Bassin Parisien Nord				1,339,336

The pledges relate to 100% of the shares owned by the Group.

- Pledge of the business operated by Autodistribution at the Morangis site.
- Pledge of the trademarks owned by Autodistribution:
  - "L'Autodistribution" (term) in France under registration number 1629230,
  - "Autodistribution" (semi-figurative) in France under registration number 1554818,
  - "AD" (term and design) in France under registration number 1629231.

Assignments of receivables

The agreement between Autodis and Citibank to assign trade receivables, signed on 2 March 2006 and amended on 21 April 2009, was signed for a maximum amount of €107.4 million in trade receivables.

At 31 December 2012, no assignment of receivables as security is in progress.

Bank covenants (see Note 21.4)

The bank agreement signed with Citibank and the bonds issued by Autodis are subject to compliance with the bank covenants calculated on a quarterly basis from June 2012 following the takeover of the Parts Holdings Group (France). Failure to comply with said covenants could result in the early repayment of financing lines.

29.3.2 Other Group guarantees

Bank overdrafts in Poland are secured by:

- pledges of inventory for a total value of €17.7 million,
- pledges of non-current assets for a total value of €2.0 million.

Enssemble bank overdrafts are secured (HSBC bank) by pledged business assets.

Moreover, the Group must comply with the following covenants for HSBC:

- equity/total assets > 20%

- total M/LT debt/equity < 1
- total M/LT debt/ self financing capacity ("Capacité d'autofinancement")< 4

In addition, an agreement was signed with the supplier Akzo Nobel in June 2012 in which Autodistribution undertakes to make a total number purchases of at least €55 million until 2019.

29.4 Individual training entitlement

The balance of the number of unused hours at 31 December 2012 was 429,464. The number of hours accrued over the year was 79,937 and 10,677 hours were used.

29.5 Disputes

In collective proceedings, Klarius France, a manufacturer of automobile spare parts in France, sued Autodistribution and some of its subsidiaries before the French Commercial Court (*Tribunal de Commerce*) for the sudden termination of an established commercial relationship. Their claim is approximately €2.4 million. No provision was created in Group's accounts as of 31 December 2012 as management and its advisors considered that, in view of the facts of the case, there is currently no likelihood of an outflow of resources.

30 Events after the end of the reporting period

On 1 January 2013, the Group acquired 100% of the shares of Group Freinage Poids Lourds Services, which consists of 17 entities located in western France.

On 31 January 2013, the Group acquired 100% of the shares of Rectification, in the northern French department Pas de Calais, as well as its subsidiary Lilcolor.

Since these companies had not closed their financial statements at 31 December 2012 and the Group had not allocated the purchase price, there are no related disclosures in this report.

The disposal of 80% of PHI's shares by Autodis to Giadi was approved by Giadi's Board of Directors on 10 January 2013 and Autodis's Board of Directors on 14 January 2013.

Parts Holdings (France) S.A.S.

Consolidated Financial Statements
31 December 2011

CONSTANTIN ASSOCIES
Member of Deloitte Touche Tohmatsu

ERNST & YOUNG et Autres

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the group's management report.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

Parts Holdings (France)

Year ended December 31, 2011

Statutory auditors' report
on the consolidated financial statements

CONSTANTIN ASSOCIES
Member of Deloitte Touche Tohmathu
185, avenue Charles de Gaulle
92524 Neuilly-sur-Seine Cedex
S.A. au capital de € 831.000

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

ERNST & YOUNG et Autres
1/2, place des Saisons
92400 Courbevoie — Paris-La Défense 1
S.A.S. à capital variable

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

Parts Holdings (France)
Year ended December 31, 2011

Statutory auditors' report
on the consolidated financial statements

To the Sole Shareholder,

In compliance with the assignment entrusted to us by your articles of association and by a collective decision of the shareholders, we hereby report to you, for the year ended December 31, 2011, on:

- the audit of the accompanying consolidated financial statements of Parts Holdings (France);
- the justification of our assessments;
- the specific verification required by law.

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

I. 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 December 31, 2011 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.

II. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French commercial code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

- In the context of our assessment of the accounting rules and methods applied by your company, we have ensured that the accounting rules and methods relating to business combinations, deferred taxes, pensions and other post-employment benefits, and inventory impairment, as described respectively in the notes 3.3.8, 3.3.19b), 3.3.15b) and 3.3.11 to the consolidated financial statements, are appropriate and were applied consistently. In the case estimates need to be performed for their implementation, our procedures consisted in assessing the data and assumptions on which these estimates were based, and the reasonableness of the resulting valuations.
- The group performs systematically, at the end of each reporting period, impairment tests of goodwill and intangible assets with indefinite useful lives, and also assesses whether an

indication of impairment of other non-current assets exists, following the methodology described in the notes 3.3.7 and 3.3.8b) to the consolidated financial statements. We have reviewed the soundness of the chosen approach and the assumptions used for these impairment tests and we carried out the assessment of the reasonableness of the calculations made by the group in that respect. We have also ensured that the information given in the notes 3.2.1, 3.3.7, 3.3.8b), 6.5, 6.6, 8.1 and 8.2 to the consolidated financial statements is appropriate.

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.

III. 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, April 27, 2012

The statutory auditors
French original signed by

CONSTANTIN ASSOCIES — ERNST & YOUNG et Autres

Jean Paul Seguret — Benoit Pimont — Benoit Schumacher

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Consolidated Income Statement

In millions of euros

	Notes	2011 12 months	2010 12 months
REVENUE	*6.1*	**1,101.5**	**1,090.7**
Cost of goods for sale		(716.5)	(712.5)
Personnel costs	*6.2*	(220.6)	(223.7)
Other purchases and external expenses	*6.3*	(122.5)	(122.9)
Taxes		(6.6)	(8.4)
Other operating income and expenses	*6.4*	2.3	2.3
EBITDA		**37.6**	**25.5**
Depreciation/amortisation expense	*9 & 10*	(17.1)	(18.6)
RECURRING OPERATING INCOME		**20.5**	**6.9**
Other income from operations	*6.5*	125.5	23.1
Other expenses from operations	*6.6*	(18.9)	(29.0)
OPERATING INCOME		**127.1**	**1.0**
Financial income	*6.7*	1.7	1.7
Financial expenses	*6.8*	(15.2)	(12.2)
Share of income of associates	*11*	0.4	0.3
INCOME (LOSS) BEFORE TAX		**114.0**	**(9.2)**
Income tax	*6.9*	14.1	(2.0)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS		**128.1**	**(11.2)**
Net income from discontinued operations	*5*	—	—
NET INCOME (LOSS) FOR THE YEAR		**128.1**	**(11.2)**
Attributable to:			
- Owners of the parent:		128.3	(11.2)
- Non-controlling interests		(0.2)	—
Earnings (loss) per share		€ 0.840	(€0.073)

Statement of Comprehensive Income

In millions of euros

	2011 12 months	2010 12 months
NET INCOME (LOSS)	**128.1**	**(11.2)**
Foreign exchange gains	0.6	
Remeasurement of hedging instruments		
Remeasurement of available-for-sale financial assets		
Remeasurement of non-current assets		
Actuarial gains and losses on defined benefit plans		
Share in comprehensive income of associates		
OTHER COMPREHENSIVE INCOME	**0.6**	**—**
TOTAL COMPREHENSIVE INCOME (LOSS)	**128.7**	**(11.2)**

Foreign exchange gains and losses for 2011 are attributable to the depreciation in the Polish zloty exchange rate and are shown in the table below:

	2011	2010
Closing rate	4.4580	3.9750
Average rate	4.1203	3.9956

The Group has not put in place any foreign exchange hedging instruments for this currency.

Consolidated Statement of Financial Position

In millions of euros

ASSETS	Notes	31 December 2011	31 December 2010
Goodwill	*8*	4.2	2.9
Intangible assets	*9*	141.3	25.2
Property, plant and equipment	*10*	39.5	44.2
Investments in associates	*11*	3.1	2.4
Available-for-sale financial assets	*12*	0.3	0.3
Other non-current assets	*13*	6.5	6.1
Deferred tax assets	*6.9.2*	21.2	7.5
TOTAL NON-CURRENT ASSETS		**216.1**	**88.6**
Inventories	*14*	170.2	170.6
Trade receivables	*15*	168.0	163.0
Other current assets	*16*	13.3	13.6
Cash and cash equivalents	*17*	71.5	81.4
Derivative financial instruments		—	—
TOTAL CURRENT ASSETS		**423.0**	**428.6**
Non-current assets held for sale	*5*	—	—
TOTAL ASSETS		**639.1**	**517.2**
EQUITY AND LIABILITIES			
Share capital	*18*	152.6	152.6
Other reserves	*18*	(117.7)	(105.3)
Net income (loss) attributable to owners of the parent		128.3	(11.2)
SHAREHOLDERS' EQUITY		**163.2**	**36.1**
NON-CONTROLLING INTERESTS		**0.5**	**0.3**
- Net assets		0.7	0.3
- Net loss		(0.2)	—
TOTAL EQUITY		**163.7**	**36.4**
Non-current borrowings and debt	*20*	205.6	215.5
Non-current provisions	*24.2*	6.0	—
Liabilities relating to employee benefits	*22*	25.3	24.7
Deferred tax liabilities	*6.9.2*	—	5.7
Other non-current liabilities	*23*	3.7	2.7
TOTAL NON-CURRENT LIABILITIES		**240.6**	**248.6**
Current borrowings and debt	*20*	12.4	13.1
Current provisions	*24.1*	10.1	13.8
Trade payables	*25*	151.4	152.0
Other current liabilities	*25*	60.0	53.3
Derivative financial instruments		0.9	—
TOTAL CURRENT LIABILITIES		**234.8**	**232.2**
Liabilities directly associated with assets held for sale	*5*	—	—
TOTAL EQUITY AND LIABILITIES		**639.1**	**517.2**

Consolidated Statement of Changes in Equity

In millions of euros

For the year ended 31 December 2010

	Attributable to owners of the parent							
In millions of euros	**Share capital**	**Additional paid-in capital**	**Foreign exchange gains and losses**	**Remeasurement of financial instruments**	**Consolidated reserves**	**Shareholders' equity**	**Non-controlling interests**	**Total equity**
At 31 December 2009	**152.6**	**—**	**(2.0)**	**—**	**(103.8)**	**46.8**	**0.9**	**47.7**
Net income (loss) for the year					(11.2)	(11.2)	—	(11.2)
Other comprehensive income			0.7			0.7	—	0.7
Comprehensive income (expense)	**152.6**	**—**	**(1.3)**	**—**	**(115.0)**	**36.3**	**0.9**	**37.2**
Other changes					(0.2)	(0.2)	(0.5)	(0.7)
Dividends paid						—	(0.1)	(0.1)
At 31 December 2010	**152.6**	**—**	**(1.3)**	**—**	**(115.2)**	**36.1**	**0.3**	**36.4**

For the year ended 31 December 2011

	Attributable to owners of the parent							
In millions of euros	**Share capital**	**Additional paid-in capital**	**Foreign exchange gains and losses**	**Remeasurement of financial instruments**	**Consolidated reserves**	**Shareholders' equity**	**Non-controlling interests**	**Total equity**
At 31 December 2010	**152.6**	**—**	**(1.3)**	**—**	**(115.2)**	**36.1**	**0.3**	**36.4**
Net income (loss) for the year					128.3	128.3	(0.2)	128.1
Other comprehensive income (expense)			(0.6)			(0.6)	—	(0.6)
Comprehensive income (expense)	**152.6**	**—**	**(1.9)**	**—**	**13.1**	**163.8**	**0.1**	**163.9**
Other changes					(0.6)	(0.6)	0.7	0.1
Dividends paid							(0.3)	(0.3)
At 31 December 2011	**152.6**	**—**	**(1.9)**	**—**	**12.5**	**163.2**	**0.5**	**163.7**

Consolidated Statement of Cash Flows

	Notes	2011 12 months	2010 12 months
Cash flows from operating activities			
Net income (loss)		**128.1**	**(11.2)**
Cancellation of unrealised income and expenses		(90.4)	23.8
- Depreciation/amortisation		*17.1*	*18.6*
- Provisions (net of reversals)		*6.8*	*1.3*
- Share in earnings of associates		*(0.4)*	*(0.3)*
- Gains or losses on disposals of fixed assets		*(0.1)*	*2.5*
- Allocation/reversal of impairment of the Autodistribution trademark		*(117.9)*	*(10.6)*
- Allocation of goodwill impairment		*0.5*	*12.8*
- Financial expenses without a cash effect		*3.7*	*3.7*
- Other income expenses without a cash effect		*(0.1)*	*(4.2)*
Financial expenses and income with a cash effect		9.6	7.2
Income tax		(14.1)	2.0
Changes in working capital		1.4	(2.1)
- Inventories		*(1.5)*	*(0.0)*
- Receivables		*(1.2)*	*(2.2)*
- Payables		*(0.9)*	*2.5*
- Other receivables and payables		*5.0*	*(2.4)*
Other items with a cash impact		(4.1)	(4.0)
- Income tax		*(4.1)*	*(4.0)*
Net cash from operating activities — continuing operations		**30.4**	**15.6**
Net cash from operating activities — discontinued operations	*5*	—	—
Cash flows from investing activities			
Acquisitions of fixed assets	*10.2*	(15.9)	(14.1)
Changes in other financial assets		—	0.5
Disposal of fixed assets		1.5	3.6
Impact of changes in scope		(2.7)	(2.2)
- Acquisitions net of cash acquired	*4.1.1*	*(2.7)*	*(2.2)*
- Disposals net of cash transferred		—	—
Net cash used in investing activities — continuing operations		**(17.1)**	**(12.2)**
Net cash from investing activities — discontinued operations	*5*	—	—
Cash flows from financing activities			
Dividends paid to the owners of the parent company	*7*	—	—
Dividends paid to non-controlling interests of consolidated companies		(0.3)	(0.1)
Dividends received from associates	*11*	—	—
Acquisition of non-controlling interests		—	—
Capital increase in cash		—	—
Financial expenses with a cash effect		(10.8)	(8.1)
Financial income with a cash effect		1.2	0.9
Increase in borrowings		1.2	0.1
Repayment of borrowings		(20.1)	(4.7)
Change in other financial liabilities		2.3	(6.7)
Net cash used in financing activities — continuing operations		**(26.5)**	**(18.6)**
Net cash from financing activities — discontinued operations	*5*	—	—
Change in cash and cash equivalents — continuing operations		**(13.3)**	**(15.3)**
Change in cash and cash equivalents — discontinued operations		**—**	**—**
Cash and cash equivalents at the beginning of the year	*17*	**75.6**	**90.9**
Impact of currency rate fluctuations		(1.2)	—
Cash and cash equivalents at end of year	*16*	**63.5**	**75.6**

Notes to the Consolidated Financial Statements

1 Approval of the financial statements

On 30 March 2012, the Chairman approved Parts Holdings (France) S.A.S.'s consolidated financial statements for the year ended 31 December 2011. Parts Holdings (France) is a simplified joint-stock company (*société par actions simplifiée* — S.A.S.) with a sole shareholder. It was incorporated on 18 January 2006.

The shareholder is Parts Holdings BV, which in turn is owned by Parts Holdings Coöperatief U.A.

The Parts Holdings (France) Group specialises in the distribution of automotive spare parts. The Group's activities focus on two areas: Light Vehicles (LV) and Heavy Vehicles (HV).

The Group is France's leading independent distributor of automotive spare parts.

2 Information relating to the parent company

Parts Holdings (France)

A simplified joint-stock company with capital of €152,598,261.00

Registered office: 22 Avenue Aristide Briand, 94110 Arcueil, France

Registered with the Créteil Trade and Companies Registry under number 488 077 165.

Parts Holdings (France) and its subsidiaries are included in the consolidated financial statements of Parts Holdings Coöperatief U.A., a company incorporated under Dutch law and registered with the Dutch Trade and Companies Registry under number 30254923, having its registered office at Schiphol Boulevard 329, 1118 BJ Luchthaven, Schiphol, Netherlands.

3 Accounting rules and methods

The consolidated financial statements of Parts Holdings (France) S.A.S. and all its subsidiaries (the "Group") have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union on 31 December 2011 and available on the following website:

http://ec.europa.eu/internal_market/accounting/ias/index_en.htm

The Group's consolidated financial statements have been drawn up using the historical cost convention, with the exception of derivative financial instruments and financial assets available for sale, which are measured at fair value.

The consolidated financial statements are presented in euros and all values are rounded to the nearest million (€m) unless stated otherwise.

3.1 Basis of preparation

The accounting principles applied are consistent with those used to prepare the annual consolidated financial statements for the year ended 31 December 2010, with the exception of the adoption of the following new standards and interpretations:

- IFRIC 19 — Extinguishing Financial Liabilities with Equity Instruments;
- Amendments to interpretation IFRIC 14 — Prepayments of a Minimum Funding Requirement;
- IAS 24 — Related Party Disclosures (as revised in 2009);
- Amendment to IAS 32 — Classification of Rights Issues;
- Improvements to IRFSs published in May 2010 for the amendments applicable to annual periods beginning on or after 1 January 2011. These improvements concern:
  - IAS 1, which clarifies the provisions relating to the statement of changes in equity, stating that the analysis of other comprehensive income must be provided for each component of equity — either in the statement of changes in equity itself, or in the notes. This amendment is applied retrospectively,

- IFRIC 13, which clarifies items to be taken into account to measure the fair value of customer loyalty programmes. This amendment is applied retrospectively,
- IAS 34, which states that the information provided is an update on the information reported in the latest set of annual financial statements,
- IFRS 7 relating to credit risk, which requires a description of collateral and other credit enhancement mechanisms without setting over-collateralised and under-collateralised loans,
- The following amendments to IFRS 3R were applied from 1 July 2010: (i) the limitation of the fair value option in the measurement of non-controlling interests during a business combination (ii) the application of previous IFRS 3 provisions to earn-out clauses concerning business combinations accounted for under IFRS 3 and (iii) the clarification on accounting for unreplaced and voluntarily replaced share option plans of the acquiree.

The adoption of these standards and interpretations has had no impact on the Company's financial statements.

The Group has not applied the amendment to IFRS 7 — Disclosures: Transfers of Financial Assets, applicable to reporting periods beginning on or after 1 July 2011 and adopted by the European Union in November 2011.

Moreover, the Group has not applied the following standards and amendments, which the European Union had not adopted as of 31 December 2011:

- IFRS 9 — Financial Instruments — Recognition and Measurement, applicable on or after 1 January 2015;
- IFRS 10 — Consolidated Financial Statements, applicable on or after 1 January 2013;
- IFRS 11 — Joint Arrangements, applicable on or after 1 January 2013;
- IFRS 12 — Disclosure of Interests in Other Entities, applicable on or after 1 January 2013;
- IFRS 13 — Fair Value Measurement, applicable on or after 1 January 2013;
- IAS 27 — Consolidated and Separate Financial Statements, applicable on or after 1 January 2013;
- IAS 28 — Investment in Associates and Joint Ventures, applicable on or after 1 January 2013;
- Amendment to IAS 12 — Deferred Tax: Recovery of Underlying Assets, applicable on or after 1 January 2012;
- Amendment to IFRS 1 — Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters, applicable to annual periods beginning on or after 1 July 2011;
- Amendment to IAS 1 — Presentation of terms of net income, gains and losses recorded directly in equity, applicable to reporting periods beginning on or after 1 July 2012;
- Amendment to IAS 19 — Employee Benefits;
- Amendment to IAS 32 — Offsetting Financial Assets and Liabilities, applicable on or after 1 January 2014;
- Amendment to IFRS 7 — Disclosures: Offsetting Financial Assets and Liabilities, applicable on or after 1 January 2013.

The Group is reviewing all these standards and interpretations in order to measure their potential impact on the results, financial position and consolidated cash flow, and to assess the impact on disclosures.

With respect to the amendment to IAS 19, the key modifications that will impact the provision for post-employment benefits are as follows:

- Discontinuation of the corridor method: the actuarial gains and losses created during the period must be recorded in other comprehensive income and no longer in the income statement, as is currently the case in accordance with the corridor method;
- Immediate recognition in income of the effect of plans amendments (e.g., amendment of collective bargaining agreement), which is no longer recognised on a straight-line basis over the remaining service period;
- Accumulated past service costs and actuarial gains and losses at the beginning of the first comparative period shown must be recorded in reserves.

The 2012 reporting period must also be presented as restated.

3.2 Significant judgments and estimates

The preparation of consolidated financial statements requires the Group to use judgments and make estimates that can affect the carrying amount of certain assets and liabilities, income and expense items, and disclosures in the accompanying notes.

The key assumptions relating to future events and other sources of uncertainty connected to the use of estimates on the reporting date, for which changes during a financial year could involve a significant risk of material change in the carrying amount of assets and liabilities, are shown hereinafter.

3.2.1 Impairment of non-financial assets

At the end of each reporting period, the Group assesses whether there is any indication that a non-financial asset might be impaired. Goodwill and other intangible assets with indefinite useful lives are subject to an impairment test at least once a year and whenever there is an indication of impairment. Other non-financial assets are subject to an impairment test when indications show that there is a possibility that the carrying amount of the asset exceeds its recoverable amount.

The recoverable amount of the assets was calculated on the basis of discounted cash flows taking into account the components of the three-year business plan approved by the Executive Committee.

The impairment test on goodwill is based on the three-year EBIDTA plan. The assumptions used then undergo a sensitivity test to assess the variability of the result following the amendment of all assumptions.

The impairment test performed on goodwill and the AD brand resulted in recording an impairment loss of €368.5 million and €150.4 million respectively in 2008. In 2009 and 2010, the impairment test did not result in the recognition of additional impairment or the reversal of previously recognised impairment (reversals of goodwill impairment are prohibited).

In 2011, impairment tests were performed on the France and Poland CGUs. The AD brand is included in the France CGU. Its valuation therefore partly depends on that of the France CGU. A valuation of the AD brand was carried out in 2011 by an independent external brand specialist.

Valuation of the AD brand

The conclusions from the analysis conducted by the independent external firm show the value in use of the AD brand to be between €135 million and €180 million depending on the assumptions used. The gross value in the consolidated financial statements stood at €156.9 million while the net value amounted to €17.1 million. Following the impairment test for the France CGU, the brand's value was written down to €135 million. An impairment reversal equal to €117.9 million was therefore recorded in the consolidated financial statements at 31 December 2011.

The brand is valued using the revenue approach. This method is based on revenue generated over five years by the AD brand, i.e., by the PHF Group's subsidiaries and affiliated distributors. The assumptions used include a discount rate of 11.7%, a royalty rate of 1.5% and a perpetuity growth rate of 1%.

The table below shows the sensitivity of the valuation in relation to discount and royalty rate assumptions.

		Discount rate		
		11.0%	**11.7%**	**12.0%**
Royalty rate	1.00%	**96**	**90**	**88**
	1.50%	**144**	**135**	**131**
	2.00%	**192**	**180**	**175**

France CGU

At 31 December 2011, consolidated net assets amounted to €299.4 million after an impairment reversal on the AD brand, described in the above paragraph. The net assets are compared with a valuation based on future cash flows discounted at 10% and with a perpetuity growth rate of 1%, i.e., €364 million. A sensitivity calculation was performed that shows that the valuation would amount to €327 million in the event that objectives in the business plan were achieved at 90%, i.e., higher than the value of the net assets tested. Accordingly, no asset impairment was recorded.

		Discount rate				
		9.0%	**9.5%**	**10.0%**	**10.3%**	**10.8%**
% achievement of the BP	**90%**	368	347	327	317	300
	95%	389	366	345	334	317
	100%	409	385	364	352	334

Poland CGU

At 31 December 2011, consolidated net assets amounted to €18.6 million. The valuation based on future cash flows discounted at 10.5% and with zero perpetuity growth amounted to €7.7 million. Accordingly, goodwill, which had a carrying amount of €0.4 million, was fully impaired. Property, plant and equipment and intangible assets were also fully impaired for €3.5 million and €0.3 million respectively.

Information relating to the procedures for impairment tests is provided in Note 3.3.8.

3.2.2 Deferred tax assets

Deferred tax assets are recorded in respect of tax loss carryforwards when it is likely that the Group will have future taxable profits against which said unused tax losses can be charged. The calculation of the amount of deferred tax assets that can be recognised requires management to estimate how long it will take to use up the losses carried over and the level of future taxable profits, with regard to tax management strategies.

At 31 December 2011, the Group began to recognise deferred tax assets calculated on the basis of the three-year business plan. Further details are provided in Notes 3.3.19 and 6.9.2.

3.2.3 Pensions and other post-employment benefits

The cost of defined benefit plans is calculated on the basis of actuarial valuations. These valuations rely on assumptions as regards discount rates, the projected yield from plan assets, the rate of salary increases and the mortality rate. Owing to the long-term nature of such plans, there is great uncertainty about these estimates. The net liability in respect of these employee benefits at 31 December 2011 stood at €25.3 million. Further details are provided in Note 22. There are no other post-employment benefits.

3.2.4 Inventory impairment

Inventory impairment is calculated by applying an impairment rate for each category of unsold products in accordance with the depletion of items and their last date of sale. Inventory impairment rates are reviewed periodically.

The provision for inventory impairment at 31 December 2011 totalled €17.5 million.

3.3 Summary of the main accounting methods

3.3.1 Principles and scope of consolidation

The consolidated financial statements include the financial statements of Parts Holdings (France) S.A.S. and its subsidiaries at 31 December of each year. The subsidiaries' financial statements are prepared over the same reference period as those of the parent company, applying homogeneous accounting methods.

All intragroup balances and transactions as well as unrealised income, expenses, gains and losses that are included in the carrying amounts of the assets, and which are generated by internal transactions, are eliminated.

Subsidiaries are consolidated as from the acquisition date, which corresponds to the date on which the Group took control of them, and until the date on which it ceases to exercise such control, in accordance with the following methods:

- Full consolidation: the consolidated financial statements include the financial statements of companies directly or indirectly controlled by the parent company or its subsidiaries.
- Equity method: the financial statements of companies over which the Group has significant influence (associates) are accounted for by the equity method.

The Group does not own any jointly controlled companies — or joint ventures — that are consolidated on a proportional basis.

Significant transactions between consolidated companies and unrealised internal profits are eliminated.

Non-controlling interests represent the share of income or loss and of net assets that the Group does not own. In the consolidated income statement and in equity in the consolidated statement of financial position, they are shown separately from the share attributable to owners of the parent.

3.3.2 Foreign currency translation

(a) Translation of foreign companies' financial statements

The consolidated financial statements are presented in euros, which is the parent company's functional currency and the currency in which it presents its accounts.

The financial statements of entities that use a different functional currency from the euro are translated as follows:

- Assets and liabilities are translated at the current exchange rate on the reporting date.
- Income statement and statement of cash flows items are translated at the average exchange rate for the year.

Foreign exchange gains or losses arising from said conversion are allocated directly to a separate line item under equity. On the disposal of a foreign operation, the cumulative amount of deferred foreign exchange gains or losses shown in the separate item of equity and relating to said foreign operation is recognised in the income statement.

In the Group, the only subsidiaries that use a different functional currency than the euro are located in Poland (currency: zloty).

(b) Goodwill arising from foreign acquisitions

Any goodwill arising from the acquisition of a foreign operation and any adjustment of the carrying amount of the assets and liabilities derived from the acquisition of said foreign business to fair value is recorded as an asset or liability of the foreign operation and is therefore translated into euros at the closing rate.

(c) Translation of foreign currency transactions

Foreign currency transactions are initially recorded in the functional currency at the current exchange rate on the transaction date. On the reporting date, the monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the current exchange rate on that date. All differences are recorded in the income statement.

3.3.3 Property, plant and equipment

Items of property, plant and equipment, including land, property and the corresponding fixtures, are carried at cost less accumulated depreciation and impairment losses.

Replacement costs are included in the carrying amount of the property, plant and equipment if the accounting criteria are met.

Routine maintenance costs are expensed as incurred.

An item of property, plant and equipment is derecognised when it is disposed of or when no further future economic benefits are expected from its use. Any gain or loss resulting from derecognising an asset (calculated on the basis of the difference between the net proceeds of disposal of said asset and its carrying amount) is recorded in the income statement in the year in which it is derecognised.

Items of property, plant and equipment are depreciated using the straight-line method in accordance with the following periods of use:

Property	25 years
General fixtures and fittings	5 years
Equipment and machinery	10 years
IT equipment	2 years
Transportation equipment	5 years
Furnishings	5 years

The residual values, useful life of the assets and the depreciation methods are reviewed and modified, if necessary, on each annual reporting date.

3.3.4 Intangible assets

Intangible assets acquired separately are valued at their purchase cost.

Intangible assets acquired in connection with a business combination are recorded at fair value on the acquisition date.

After initial recognition, intangible assets are valued at their acquisition cost less accumulated amortisation and impairment.

Costs relating to intangible assets created internally are recorded under assets when the criteria for IAS 38 are met.

The Group decides whether the useful life of an intangible asset is finite or indefinite.

a) Intangible assets with a finite useful life

These fixed assets are amortised in accordance with their economic useful life and are subject to an impairment test whenever there is an indication that the intangible asset is impaired. The amortisation period and method for an intangible asset with a finite useful life are reviewed at least on the reporting date every year. Any change to the projected useful life or projected rate of consumption of the representative future economic benefits of the asset is recorded by changing the amortisation period or method, whichever is appropriate. Such changes are treated as changes in estimates. Amortisation of intangible assets with finite useful lives is recorded in the income statement in the appropriate expense category based on the intangible asset's function.

The Group's intangible assets fall into this category, and comprise, primarily, software licences for Movex accounting software.

These fixed assets are amortised on a straight-line basis in accordance with the following estimated period of useful life:

Software . . . . 5 years

b) Intangible assets with an indefinite useful life

These fixed assets are not amortised but are subject to annual impairment tests, either individually or at the level of the cash-generating unit to which the intangible asset belongs. The useful life of an intangible asset with an indefinite useful life is reviewed annually in order to determine whether the indefinite useful life assessment for said asset is still justified. If not, the change in assessment of the nature of the useful life from indefinite to finite is recorded prospectively.

Gains or losses arising on the derecognition of intangible assets are equal to the difference between the net proceeds from disposal and the carrying amount of the asset. They are recorded in the income statement when the asset is derecognised.

The "Autodistribution" brand, recognised at the time of acquisition, is attached to the cash generating unit consisting of Autodistribution and its subsidiaries (France CGU).

3.3.5 Leases

Determining whether an arrangement is a lease, or contains a lease, depends on the substance of the agreement on its commencement date. This requires assessing whether performance of the agreement depends on the use of a specific asset or specific assets, and whether the agreement grants a right to use the asset. For agreements entered into before 1 January 2005, the commencement date is deemed to be 1 January 2005, in accordance with the transitional provisions of IFRIC 4.

a) Leases in the Group's financial statements where the Group is lessee

Finance leases that transfer virtually all the risks and rewards incidental to ownership of the leased asset to the Group are recorded in the statement of financial position at the beginning of the term of the lease at the fair value of the leased asset or, if it is lower, at the discounted value of the minimum payments under the lease. Payments in respect of the lease are broken down between the financial expense and the amortisation of the debt so as to obtain a constant periodic interest rate on the remaining balance of the liability. The financial expense are recorded directly in the income statement.

Assets that are subject to a finance lease are amortised over either the shorter of the lease term and its useful life, if the Group cannot be reasonably certain that it will become the owner of the asset when the lease expires.

Payments under operating leases are recorded as expenses on a straight-line basis until the lease expires.

At 31 December 2011, the Group has finance leases in the capacity of lessee (see Notes 29.1 and 29.2).

b) Leases in the Group's financial statements where the Group is lessor

Leases under which the Group does not transfer virtually all the risks and rewards incidental to ownership of the asset are classified as operating leases. The initial indirect costs incurred when negotiating the lease are added to the carrying amount of the leased asset and recorded over the term of the lease on the same bases as rental income. Contingent rental income is recorded as income from ordinary activities over the period in which it is acquired.

At 31 December 2011, the Group does not have any finance leases in the capacity of lessor.

3.3.6 Non-current held-for-sale assets and discontinued operations

A non-current asset (or group of assets and associated liabilities) is "held for sale" when its carrying amount will be recovered primarily through sale rather than continued use. In order to fall into this category, the asset (or group of assets) must be available for immediate sale and the sale must be highly probable. This asset or group of assets and associated liabilities is/are presented separately in the statement of financial position when it is/they are significant, without restatement of previous periods. The assets or group of assets are measured at the lower of their carrying amount and their estimated selling price, whichever is the lower, less costs to sell.

A discontinued operation is defined as a component of an entity that represents a separate major line of business or geographical area of operation for the Group. This component must either be discontinued or classified as held-for-sale assets or it must form part of an overall plan to sell an operation or a significant geographical area for the Group; or, finally, it must be a significant subsidiary acquired solely for the purpose of resale. The components of the income statement and statement of cash flows relating to said discontinued operations are presented separately in the financial statements for all the periods presented if they are significant. The components of the statement of financial position relating to previous years are not presented separately; only the components of the last period shown are classified as assets and liabilities for discontinued.

There were no discontinued operations at 31 December 2010 or 31 December 2011 (see Note 5).

3.3.7 Impairment of non-financial assets (excluding goodwill)

At the end of each annual reporting period, the Group assesses whether there is an indication that an asset is impaired. If there is such a presumption, or when an annual impairment test is required for an asset, the Group estimates the recoverable amount of the asset. Intangible assets with an indefinite useful life are tested annually on 31 December, individually or at the level of the cash-generating unit to which they are attached.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. It is determined for each asset separately, unless the asset generates cash flows that are largely dependent on other assets or group of assets. If the carrying amount of an asset exceeds its recoverable amount, the asset is deemed to have lost some of its value and its carrying amount is reduced to its recoverable amount. Value in use is determined on the basis of projected future cash flows and discounted by applying a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An appropriate valuation model is used to determine the fair value less costs to sell.

Impairment of continuing operations is recorded in the income statement in the appropriate expenses category with regard to the function of the impaired asset.

An assessment is made on each reporting date in order to identify whether a previously identified indication of impairment has disappeared or decreased. In this case, the Group estimates the recoverable amount. An impairment loss previously recorded is also reversed in the event of a change in the estimates made when determining the recoverable amount of the asset.

In this case, the carrying amount of the asset is increased to the level of its recoverable amount. When an impairment loss has been reversed, the carrying amount of an asset must not exceed the carrying amount that would have been determined, less depreciation and amortisation, if no impairment had been recorded for said asset during previous periods. An impairment loss reversal is recorded in the income statement.

3.3.8 Business combinations and goodwill

a) Valuation and allocation of goodwill

As from 1 January 2010, business combinations are recorded in accordance with the amended IFRS 3, by applying the acquisition method. According to said method, the various components of the acquisition are recorded at fair value, subject to exceptions, as follows:

- The consideration transferred is measured at fair value. It includes any contingent consideration clauses that are also measured at fair value on the acquisition date, which takes into account all the probabilities of occurrence. Considerations are classified as debt or equity according to their nature, those classified as debts are then remeasured at fair value and the difference recorded in the income statement.
- The costs directly attributable to the acquisition are recorded as expenses during the period in which they are incurred.

The acquired entity's identifiable assets, liabilities and contingent liabilities that meet IFRS accounting criteria are recorded at the fair value determined on the acquisition date, with the exception of non-current assets classified as held-for-sale assets, which are recorded at fair value less disposal costs.

Goodwill represents any excess in the amount of consideration transferred and, where appropriate, the value of the non-controlling interests over the net fair value of the acquired company's identifiable assets and liabilities.

Adjustments to the value of assets and liabilities relating to acquisitions recorded on a provisional basis are recorded as retrospective adjustments of goodwill if they occur within a period of twelve months of the acquisition date. After said time, the effects are recorded directly in the income statement unless they correspond to corrections of errors.

b) Impairment of goodwill

Goodwill and CGU

Goodwill acquired when businesses are combined is tested as soon as there are indications of impairment and at least once a year in order to determine whether the carrying amount is less than the recoverable amount, i.e., the amount that will be recovered by their use or by selling them.

If the recoverable amount is less than the net carrying amount, an impairment loss is recorded for the difference between both amounts.

For this test, goodwill is grouped with other assets and liabilities in a cash-generating unit or group of CGUs. CGUs are homogeneous groups of assets whose continued use generates cash inflows that are primarily independent from cash inflows generated by other groups of assets.

An analysis of the segmentation of the Group into CGUs resulted in deeming the following as operating CGUs:

- the perimeter consisting of Autodistribution and its subsidiaries
- the perimeter consisting of AD Polska and its subsidiaries
- the perimeter consisting of Parts Holdings Italia and its subsidiary

Assessment of recoverable amount

The impairment test consists of measuring the recoverable amount and comparing the recoverable amount of the CGU to its carrying amount. The recoverable amount is the net fair value of the disposal costs or value in use, whichever is higher.

The value in use of a CGU is determined by reference to projected discounted future cash flows from said assets, in light of economic assumptions and the Group management's projected operating requirements.

An impairment loss recorded on goodwill cannot be reversed on account because of an increase in its recoverable amount.

3.3.9 Financial investments and other financial assets

Depending on the type of instrument, financial assets that fall within the scope of IAS 39 are classified as financial assets at fair value through income, as loans and receivables, as held-to-maturity investments or as financial assets available for sale. On initial recognition, financial assets are measured at fair value plus directly attributable transaction costs (except for the category of financial assets measured at fair value through income).

The Group determines the classification of its financial assets when they are initially recognised in the accounts and, when it is authorised and appropriate, it reviews said classification on each annual reporting date.

a) Financial assets measured at fair value through income statement

The category of financial assets at fair value through income statement includes financial assets acquired with a view to resale in the short term.

Duly designated and effective hedging derivatives do not fall within this category.

At 31 December 2011, investment securities included in cash equivalents fall within this category.

b) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed maturity date that the Group obviously intends to hold and is able to hold to maturity. After initially recording them in the accounts, held-to-maturity investments are valued at amortised cost.

The gains and losses are recorded in the income statement when said investments are derecognised or impaired, using the amortised cost mechanism.

At 31 December 2011, the Group did not own any financial assets recorded in the held-to-maturity investments category.

c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After they have been initially recorded, loans and receivables are valued at amortised cost applying the effective interest rate method less, where appropriate, an amount for impairment. Amortised cost is calculated taking into account any initial premium or discount and includes fees that form an integral part of the effective interest rate method as well as transaction costs.

Gains and losses are recorded in the income statement when the loans and receivables are derecognised or are impaired using the amortised cost mechanism.

d) Available-for-sale financial assets

Available-for-sale financial assets (equity investments not consolidated at 31 December 2011) are non-derivative financial assets that are designated as available for sale or are not classified in any of the preceding three categories.

After initial recognition, available-for-sale financial assets are measured at fair value and any related gains and losses are recorded directly in other comprehensive income in a reserve for net unrealised gains and losses. On disposal of an available-for-sale asset, the accumulated profit or loss previously recorded in equity is recycled in the income statement. The interest received or paid on said investments is recorded in financial income or expenses on the basis of the effective interest rate. Dividends received on said investments are recorded in the income statement as "Dividends received" when the right to receive such payment is established.

e) Fair value

IFRS 7 — Financial Instruments: Disclosures, amended in 2009, establishes a fair value hierarchy consisting of three levels:

- Level 1: quoted prices for identical instruments (identical to those that are being valued) obtained on the valuation date on an asset market to which the entity has access;
- Level 2: directly observable market inputs other that does not correspond to quoted prices for identical instruments;
- Level 3: inputs not based on observable market data (for example, data derived from extrapolations). This level applies when there is no observable market or data and the entity is obliged to rely on its own assumptions to estimate the data that other market players would have applied to value the asset's other values.

All the fair value measurements are presented in Note 19 of the notes to the consolidated financial statements.

3.3.10 Impairment of financial assets

On each reporting date, the Group assesses whether a financial asset or group of financial assets is impaired.

a) Assets recorded at amortised cost

If there are objective indications of an impairment loss on loans and receivables recorded at amortised cost, the amount of the loss is equal to the difference between the asset's carrying amount and the discounted value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the original effective interest rate (i.e., the effective interest rate calculated on the initial recognition date in the accounts). The asset's carrying amount is reduced by using an impairment account. The amount of the impairment loss must be recorded in the income statement.

Regarding trade receivables, an impairment loss is recorded when there is an objective indication (such as a probability that the debtor will become bankrupt or is in serious financial difficulties) that the Group will not be able to recover the amount payable under the contractual terms of the invoice. The carrying amount of the trade receivable is reduced using an allowance account. The impaired outstanding amounts are recorded as a loss when they are deemed non-recoverable.

b) Financial assets at fair value through equity

If a financial asset is impaired, the difference between its acquisition cost (less the repayment of the principal and any amortisation) and its current fair value, less any impairment loss previously recorded in the income statement, is transferred from equity to the income statement. Impairments relating to equity instruments cannot be reversed in the income statement. Impairment losses relating to debt instruments are reversed in the income statement if the increase in the instrument's fair value can be objectively related to an event that occurred after the impairment loss had been recorded in the income statement.

3.3.11 Inventories

Inventories consist primarily of goods and are valued at the lower of cost and net realisable value.

Cost is calculated using the method of the last supplier price applicable at 31 December of the current year, taking into account an average stock rotation. The valuation of inventory also takes into account the impact of discounts and allowances, and discounts granted by suppliers, as well as the transportation cost on purchases.

This method of inventory valuation is deemed to be a good approximation of FIFO because of the fast stock rotation.

Net realisable value is the estimated selling price on the reporting date, less estimated selling costs to sell taking into account their technical or commercial obsolescence and the risks relating to slow rotation.

In the case, the inventory shown in the statement of financial position of a company included in the scope of consolidation derives from a purchase made from another entity that is a member of the Group is offset against the internal income recorded in the selling company's accounts is neutralized.

3.3.12 Cash and cash equivalents

Cash and cash equivalents recorded in the statement of financial position include cash in the bank and on hand, short term deposits with a term of three months or less and investment securities which meet the criteria of cash equivalent, i.e.:

- short-term investment;
- highly liquid;
- readily convertible into known amounts of cash;
- insignificant risk of changes in value.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include the cash and cash equivalents as defined above, less bank overdrafts.

Investment securities owned by the Group are euro money market funds with a negligible risk of changes in value.

3.3.13 Loans and borrowings

All loans are initially recorded at fair value, less directly related transaction costs.

After initial recognition, interest-bearing loans are valued at amortised cost using the effective interest rate. The issue costs have an impact on the entry value and are spread via the effective interest rate method. The amortised issue costs are presented as a deduction from the debts to which they relate.

The income (loss) is recorded in the income statement when the debts are derecognised and through the amortised cost mechanism.

3.3.14 Derivatives and hedge accounting

At 31 December 2011, the Group hedged its exposure to interest rate fluctuations with a cap (see Note 20.1).

3.3.15 Provisions

a) General information

Provisions are recorded when the Group has a present obligation (legal or constructive) arising from a past event, when it is likely that an outflow of resources embodying economic benefits will be necessary in order to settle the obligation and when the amount of the obligation can be reliably estimated.

When the Group expects partial or total reimbursement of the provision, for example from an insurance policy, the reimbursement is recorded as a separate asset but only if the reimbursement is virtually certain. The amount of the expense corresponding to a provision is recorded in the income statement net of any reimbursement.

If the effect of the time-value of money is significant, provisions are discounted on the basis of a current rate before tax, which reflects, where appropriate, the risks specific to the liability. When the provision is discounted, the increase relating to the elapsing of time is recorded as a financial expense.

b) Pensions and other post-employment benefits

In addition to basic pension plans, the Group's employees benefit from defined contribution and defined benefit plans:

Basic plans

In France, the Group belongs to basic pension plans for which the expense recorded equals the contributions required by government agencies.

Defined contribution plans

The benefits paid depend solely on the total contributions made and the return on the investment. The Group's liability is limited to contributions paid that are recorded as an expense.

Defined benefit plans

In accordance with French legislation, each employee of the Group receives a retirement severance payment when he retires. This plan is very poorly pre-funded. An independent actuary calculates the Group's commitment under this plan annually using the projected unit credit method. These calculations include actuarial assumptions concerning demographic mortality, severance, retirement conditions and future salary projections.

The Polish companies' pension liability is also calculated in accordance with current local regulations taking into account the assumptions stated above.

Probable future benefits are discounted using a discount rate determined with reference to the yield from bonds issued by high-ranking companies. The actuarial gains and losses generated are recognised in accordance with the corridor method. The Group has no multi-employer plans.

3.3.16 Revenue recognition

Revenue is recorded when it is probable that the future economic benefits will flow to the Group and when revenue can be measured reliably. Revenue is measured at fair value of the consideration received or to be received, to the exclusion of discounts and allowances and other taxes on sales and customs duty. The following specific recognition criteria must also be met in order to recognise revenue:

a) Sale of goods

Revenue is recorded when the significant risks and rewards incidental to ownership of the goods are transferred to the buyer, usually on delivery of goods.

b) Rendering of services

Transactions involving the provision of services are recorded over the period in which the services are provided.

c) Interest income

Revenue is recorded for the amount of interest accrued (using the effective interest rate method, i.e., the rate that accurately discounts future cash flows over the expected life of the financial instrument so as to obtain the carrying amount of the financial asset).

d) Dividends

Revenue is recorded when the shareholders' right to receive payment thereof is established.

3.3.17 Recurring operating income

Recurring operating income comprises revenue, cost of goods for sale, personnel costs, other purchases and external expenses, taxes, other operating income and expenses, and depreciation and amortisation expenses.

It also includes, in particular, the share of expenses for pension obligations relating to the cost of services rendered during the period, the cost of employee profit-sharing plans, foreign exchange gains and losses relating to recurring operating activities, including the effect of hedge accounting on such activities, as well as gains and losses on the disposal of property, plant and equipment and intangible assets in connection with the Group's ordinary activities.

3.3.18 Other operating income and expenses

Other operating income and expenses relates to unusual events with significant amounts effects.

Other operating income can include, in particular, gains on the disposal of operations and gains on the disposal of property, plant and equipment and intangible assets.

Other operating expenses can also include losses on the disposal of operations and losses on the disposal of property, plant and equipment and intangible assets as well as any cost relating to past disposals, the costs of restructuring or closing sites and impairment losses on assets.

3.3.19 Income tax

a) Income tax payable

Income tax assets and liabilities payable in respect of the current year and previous years are valued at the amount expected to be recovered from or paid to the tax authorities. The tax rates and rules applied to determine said amounts are those enacted or substantially enacted on the reporting date.

The tax payable in relation to items recorded directly in equity is recorded in equity rather than in the income statement.

The 2010 French Finance Act introduced the Territorial Economic Contribution (*Contribution Economique Territoriale* — CET), one of the components of which is the Company Value-Added Contribution (*Cotisation sur la Value Ajoutée des Entreprises* — CVAE). The Group has analysed the methods for determining said contribution with regard to the provisions adopted by the International Financial Reporting Interpretations Committee (IFRIC) and the French national accounting board (*Conseil National de la Comptabilité* — CNC) and it concluded that, in the particular case, this contribution meets the definition of tax payable according to IAS 12. This contribution has therefore been classified in the "Income tax" line of the financial statements since 1 January 2010.

In accordance with the provisions of IAS 12, the classification of the CVAE as income tax resulted in recognising deferred tax at 31 December 2009 relating to timing differences at this date, with an offsetting entry in the income statement for the year in accordance with the French Finance Act enacted in 2009. The deferred tax expense of €0.1 million recorded in 2009 is reversed over a five-year period, which is the estimated period for settling CVAE bases, in particular the depreciation of property, plant and equipment. Accordingly, an amount of €0.03 million was recognised as deferred tax income in 2011. The total amount of the current expense relating to the CVAE is shown on the same line.

b) Deferred tax

Deferred tax is recorded using the liability method for any timing differences on the reporting date between the tax base of the assets and liabilities and their carrying amount in the statement of financial position.

Deferred tax assets are recorded for any deductible timing differences and unused tax losses and tax credits carried forward, to the extent that it is probable that a taxable profit will be available against which said deductible temporary differences and tax losses and tax credits carried forward may be charged.

The carrying amount of the deferred tax assets is reviewed on each reporting date and reduced if it no longer appears probable that a sufficient taxable profit will be available to enable all or some of said deferred tax asset to be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised if it becomes likely that future taxable profit will enable them to be recovered.

Deferred tax assets and liabilities are valued at the tax rate that is expected to be applied for the year in which the asset is realised or the liability settled, on the basis of tax rates (and tax rules) that were enacted or substantially enacted on the reporting date.

Deferred tax relating to items recognised directly in equity is recorded in equity rather than in the income statement.

Deferred tax assets and liabilities are offset if there is an enforceable legal right to offset them and when they relate to the same taxable entity and tax authority. Within the tax consolidation group, deferred tax assets are accordingly offset against deferred tax liabilities.

4 Business combinations and acquisition of non-controlling interests

The scope of consolidation is set out in Note 25 and the amount of goodwill in Note 8.

4.1 Changes in the scope of consolidation in 2011

4.1.1 Acquisitions and newly-consolidated companies

Acquisition of Société d'Investissement Automobile (SIA) and its subsidiaries by AD Bassin Parisien-Nord

On 30 June 2011, the Group acquired 100% of the shares of Société d'Investissement Automobile (SIA), which in turn fully owns an operational subsidiary, Teulat SARL, and two holding companies: SA JP. David and SA J. David.

This Group, which generates annual revenue of approximately €2.1 million, employs approximately 13 people and is a member of the Autodistribution's VL Network. The operational subsidiary Teulat is located in Montreuil, in the French department Seine Saint Denis.

The acquisition cost of the transaction was €0.5 million. The cash contributed by these companies was €0.3 million.

The goodwill in respect of this acquisition was a negative €0.2 million (see Note 8.1).

Acquisition of APS Saillard and Comptoir Vitryat by Gadest

On 30 October 2011, the Group acquired 100% of the shares of APS Saillard and Comptoir Vitryat for €2.0 million.

These companies are located in the French department Haute Marne and generate annual revenue of approximately €3.7 million. The cash contributed by these companies was €0.2 million.

The goodwill in respect of this acquisition is €1.2 million (see Note 8.1).

Acquisition of Truck Car Services and TC26 by Cofirhad

On 30 December 2011, the Group acquired 100% of the shares of Truck Car Services and TC26 for €1.0 million.

These companies are located in Portes-lès-Valence in the French department Drôme and generate annual revenue of approximately €2.5 million. The cash contributed by these companies was €0.3 million.

The goodwill in respect of this acquisition is €0.5 million (See Note 8.1).

Acquisition of additional shares in AD International by Autodistribution

The interest in the Belgian company AD International increased from 17.14% to 20%.

4.1.2 Incorporation of companies

No companies were incorporated in 2011.

4.1.3 Mergers within the Group

In order to improve the operational and administrative organisation, the three Polish companies Dakol, Stachura and Stenmot were merged into a new entity named AD Polska Aftermarket on the basis of the financial statements at 31 December 2010. This company is wholly owned by AD Polska. These internal transactions have no impact on the consolidated financial statements.

4.1.4 Disposals

The Group did not dispose of any of its entities in 2011.

4.2 Changes in the scope of consolidation in 2010

4.2.1 Acquisitions and newly-consolidated companies

On 1 April 2010, the Group acquired 100% of the shares in Arnaudiès for €2.1 million. This company is located in the French department Ariège and generates annual revenue of approximately €6 million. The cash contributed by Arnaudiès amounted to €0.1 million.

The goodwill in respect of this acquisition amounted to €2.5 million (see Note 8.1).

4.2.2 Incorporation of companies

Neoparts was incorporated in May 2010. It is held at 20% (€0.2 million) by FIA, a Group subsidiary, and is consolidated in the Group's financial statements using the equity method. It took over the FIA Littoral business, sold by FIA on 1 June 2010.

On 31 December 2010, the Group incorporated Comptoir Technique du Limousin, which is wholly owned by AM Développement.

4.2.3 Disposals

Adelta SA was disposed of in June 2010. The company was therefore deconsolidated on this date with no material impact on the consolidated financial statements.

5 Discontinued operations

5.1 Discontinued operations at 31 December 2011

The Autodistribution Group decided not to discontinue or dispose of any operations during the year.

5.2 Discontinued operations at 31 December 2010

The Autodistribution Group decided not to discontinue or dispose of any operations during the year.

6 Income and expenses

6.1 Revenue

In millions of euros	2011	2010
Sales of goods held for resale	1,056.7	1,045.7
Rendering of services	44.8	45.0
Revenue	**1,101.5**	**1,090.7**

6.2 Personnel costs

In millions of euros	2011	2010
Wages	(157.5)	(161.2)
Social security contributions	(60.0)	(59.3)
Profit-sharing plans	(1.6)	(1.7)
Pension costs (see Note 22.1)	(1.5)	(1.5)
Personnel costs	**(220.6)**	**(223.7)**

The pension costs include the allocation to provisions for retirement benefits for the year as well as the reversal of said provisions as a result of benefits paid during the year (Note 21.1).

The Group's workforce at the year end can be broken down as follows:

Number of employees	2011	2010
Engineers and managerial staff	967	961
Technical and supervisory staff	736	558
Employees	4,503	4,820
Total workforce	**6,206**	**6,339**

6.3 Other purchases and external expenses

In millions of euros	2011	2010
Rental expenses	(37.0)	(37.6)
Shipping expenses	(38.1)	(35.7)
Maintenance and repairs	(11.7)	(11.5)
Legal and other fees	(8.0)	(7.9)
IT expenses	(7.1)	(8.1)
Advertising expenses	(3.9)	(4.2)
Subcontracting	(4.9)	(5.5)
Travelling expenses	(3.9)	(3.9)
Other expenses	(7.9)	(8.5)
Other purchases and external expenses	**(122.5)**	**(122.9)**

6.4 Other operating income and expenses

In millions of euros	2011	2010
Net (allocation to)/reversal of impairment of receivables	1.9	1.6
Net (allocation to)/reversal of current provisions for liabilities	—	0.5
Other	0.4	0.2
Other operating income and expenses	**2.3**	**2.3**

6.5 Other income from operations

In millions of euros	2011	2010
Gains on the disposal of property, plant and equipment and intangible assets	1.8	3.3
Gains on scrapped and disposed of inventories at risk(1)	0.5	6.5
Reversal of provision for risk	3.8	1.4
Reversal of impairment on the AD brand	117.9	10.6
Other income	1.5	1.3
Other income from operations	**125.5**	**23.1**

(1) Gains on scrapped and disposed of inventories at risk relate mainly to the sale by the Group of the bulk of its inventories at risk to third parties during the period for a non-zero value. As a result, the methods used for calculating inventory impairment were revised.

6.6 Other expenses from operations

In millions of euros	2011	2010
Disposal of property, plant and equipment and intangible assets	(2.0)	(6.0)
Goodwill impairment loss (Note 8.2)	(0.5)	(12.8)
Impairment of fixed assets for the Polish entities	(3.9)	—
Allocation to provisions and expenses for restructuring, and employee and tax disputes	(7.1)	(6.3)
Other expenses	(5.4)	(3.9)
Other expenses from operations	**(18.9)**	**(29.0)**

Following the results of the impairment test of the Poland CGU, property, plant and equipment (€3.2 million) and intangible assets (€0.3 million) were written down in full (see Note 3.2.1)

The line "Allocation to provisions and expenses for restructuring, and employee and tax disputes" corresponds to the closure of Moissy Cramayel's Building B at Logisteo. This amount includes all the remaining rent due until the lease expires in May 2017 (i.e., 53 months accrued in provisions in 2011 as 12 months were already set aside in 2010), including rental charges and taxes. This provision has been discounted at 4% with an impact of €0.8 million.

6.7 Financial income

In millions of euros	2011	2010
Income from financial investments	0.6	0.4
Foreign exchange gains	0.2	0.5
Gains on the disposal of financial assets	0.1	0.3
Other financial income	0.8	0.5
Total financial income	**1.7**	**1.7**

6.8 Financial expenses

In millions of euros	2011	2010
Cost of external loans and bank overdrafts	(6.5)	(6.5)
Discounting of borrowings and debt	(4.4)	(3.9)
Expenses related to financial instruments	(1.0)	(1.0)
Financial expenses on finance leases	(1.5)	(0.4)
Foreign exchange losses	(1.5)	(0.2)
Other financial expenses	(0.3)	(0.2)
Total financial expenses	**(15.2)**	**(12.2)**

6.9 Income tax

The Group opted for tax consolidation in France.

This option concerns all the Group's French companies with the exception of non-material subsidiaries.

6.9.1 Tax expense

The tax expense for the reference years is as follows:

In millions of euros	2011	2010
Current tax expense	(0.7)	(0.1)
Deferred tax income	19.4	1.6
Company Value-Added Contribution (CVAE)	(4.6)	(3.5)
Income tax	**14.1**	**(2.0)**

6.9.2 Nature of deferred tax

Breakdown of deferred tax according by nature before offset:

In millions of euros	2011	2010
Deferred tax on recognition of losses carryforwards — Poland	1.7	1.3
Deferred tax on adjustments on pension liabilities for companies not consolidated for tax purposes	0.5	0.5
Offsetting of deferred tax on valuation of the AD brand	—	5.7
Deferred tax on recognition of losses carryforwards — France	27.4	—
Deferred tax on miscellaneous adjustments	0.5	—
Deferred tax assets before offset	30.1	7.5
Deferred tax on valuation of the AD brand	(7.6)	(5.7)
Deferred tax on miscellaneous adjustments	(1.3)	—
Deferred tax liabilities before offset	(8.9)	(5.7)
Deferred tax asset, net	**21.2**	**1.8**

In 2006, the Group exercised the expanded tax base option (possibility to offset income of companies in a previous tax group against losses in the new group to which they belong) for companies consolidated with Autodis for tax purposes. Tax losses carryforwards of this tax consolidation group were offset against the taxable income of the profitable companies in 2011.

Moreover, there is a tax consolidation group in France whose parent is Parts Holdings France and which includes companies acquired after 2006 and companies that generated a tax loss in 2011.

In view of the amount of tax losses carryforwards and the fact that they were increasing continuously, the tax group in France was not in a position to pay any tax in the past years; in 2011, the tax group in France generated a taxable profit.

France's second Amended Finance Act for 2011 has changed the rules for offsetting tax losses carryforwards. Henceforth, losses that can be carried forward are limited to €1 million plus 60% of taxable profit exceeding that amount.

The taxable profit is calculated initially at the level of the expanded base by offsetting 60% of the tax losses carryforwards. The result obtained is then included in the PHF tax consolidation group in which the available 60% loss relief of tax losses carryforwards also applies.

As the Group's tax status in France has changed, a tax planning exercise for the operations in France was carried out on the basis of a three-year business plan for France to determine the future use of loss carryforwards in light of current loss relief rules and to assess the deferred tax asset to be recognised in the accounts at 31 December 2011.

This projection shows €78.3 million in tax loss carryforwards would be used i.e., a tax saving of €27.4 million. As a precautionary measure, and as there is little visibility beyond the timeframe of the plan, the deferred tax asset recognised in the financial statements was limited to this amount.

At 31 December 2011, the loss carryforwards, after allocating €9.3 million to 2011, stood at €269 million for the expanded base and €285 million for the PHF tax consolidation group.

Regarding the impairment reversal on the AD brand, a deferred tax liability has been recorded. This is partly offset by a deferred tax asset reflecting the future tax saving that the Group could reasonably expect to make in the event of the disposal of the brand in view of the existence of tax loss carryforwards. The balance is a deferred tax liability of €7.6 million. This amount is reclassified as a deduction from deferred tax assets.

No other deferred tax asset was recorded in respect of consolidation adjustments presenting a long-term prospect of reversing. As these adjustments fall outside the time horizon of the three-year business plan, the Group deemed it prudent not to record any deferred tax asset after said period, except as a deduction from deferred tax liabilities identified at the year end.

6.9.3 Tax proof

Reconciliation between the effective tax expense and the theoretical tax charge based on the tax rate applicable in France is as follows for the years cited:

In millions of euros	2011	2010
Income (loss) before tax	**114.0**	**(9.2)**
Theoretical tax: tax rate	35.00%	33.33%
Theoretical tax income (expense)	**(39.9)**	**3.1**
Effect of non-taxable income and non-deductible expenses	0.2	(0.2)
Differences in tax rates	—	—
Unrecognised tax losses	(3.5)	(7.1)
Company Value-Added Contribution (CVAE)	(4.6)	(3.5)
Recognition of tax loss carryforwards — France	61.1	5.7
Recognition of tax loss carryforwards — Poland	0.8	—
Tax income (expense) recorded in the consolidated income statement	**14.1**	**(2.0)**

7 Dividends paid and proposed

In millions of euros	2011	2010
Dividends approved during the year	—	—

8 Goodwill

8.1 Analysis of changes in gross value and goodwill impairment

In millions of euros	Gross value	Impairment	Net value
At 31 December 2009	**379.4**	**(366.6)**	**12.8**
• business combinations (including business assets)	2.5	—	2.5
• disposals	—	—	—
• impairment for the period	—	(12.8)	(12.8)
• foreign exchange gains (losses)	0.8	(0.4)	0.4
At 31 December 2010	**382.7**	**(379.8)**	**2.9**
• business combinations (including business assets)	1.8	—	1.8
• disposals	—	—	—
• impairment for the period	—	(0.5)	(0.5)
• foreign exchange gains (losses)	(2.7)	2.7	—
At 31 December 2011	**381.8**	**(377.6)**	**4.2**

Changes in goodwill in 2011

- The acquisition of Société d'Investissement Automobile and its subsidiaries generated negative goodwill of €0.2 million recorded in financial income.
- The acquisition of APS Saillard and Comptoir Vitryat generated goodwill of €1.2 million.
- The acquisition of Truck Car Services and TC26 generated goodwill of €0.5 million.
- The goodwill of AD Polska was written down by €0.5 million (Note 8.2).

Changes in goodwill in 2010

- The acquisition of Arnaudiès generated goodwill of €2.5 million.
- The goodwill of AD Polska was written down by €12.8 million (Note 8.2).

8.2 Impairment tests

Impairment tests on goodwill were carried out in accordance with the methodology set out in Note 3.3.8.

The test on the platform consisting of AD Polska and its subsidiaries resulted in goodwill impairment of €12.8 million in 2010 and €0.5 million in 2011 (see Note 3.2.1).

9 Intangible Assets

In millions of euros	Software and licences	AD brand	Other	Total
Gross value				
At 31 December 2009	**39.6**	**156.9**	**1.3**	**197.8**
• acquisitions (Note 10.2)	5.3	—	0.1	5.4
• reclassification	1.1	—	(0.7)	0.4
• disposals	(0.2)	—	—	(0.2)
• business combinations	—	—	—	—
• foreign exchange gains	—	—	—	—
At 31 December 2010	**45.8**	**156.9**	**0.7**	**203.4**
• acquisitions (Note 10.2)	5.4	—	—	5.4
• reclassification	0.1	—	(0.1)	—
• disposals	(0.1)	—	—	(0.1)
• business combinations	—	—	—	—
• foreign exchange gains (losses)	(0.2)	—	—	(0.2)
At 31 December 2011	**51.0**	**156.9**	**0.6**	**208.5**
Amortisation/impairment				
At 31 December 2009	**30.4**	**150.4**	**0.9**	**181.7**
• amortisation (Note 10.1)	6.9	—	0.1	7.0
• reclassification	1.0	—	(0.7)	0.3
• reversals of impairment loss	(0.2)	(10.6)	—	(10.8)
• business combinations	—	—	—	—
• foreign exchange gains	—	—	—	—
At 31 December 2010	**38.1**	**139.8**	**0.3**	**178.2**
• amortisation (Note 10.1)	6.8	—	0.1	6.9
• impairment	0.3	—	—	0.3
• reclassification	—	—	—	—
• reversals	(0.1)	(117.9)	—	(118.0)
• business combinations	—	—	—	—
• foreign exchange gains (losses)	(0.2)	—	—	(0.2)
At 31 December 2011	**44.9**	**21.9**	**0.4**	**67.2**
Net value				
At 31 December 2010	7.7	17.1	0.4	25.2
At 31 December 2011	**6.1**	**135.0**	**0.2**	**141.3**

10 Property, plant and equipment

In millions of euros	Land	Property and fixtures	Technical fittings	Vehicles	IT equipment	Furnishings	Assets under construction	Total
Gross value								
At 31 December 2009	**2.8**	**77.9**	**39.7**	**12.9**	**19.7**	**4.9**	**0.6**	**158.5**
• acquisitions (Note 10.2)	—	3.2	1.3	1.5	1.5	0.1	1.1	8.7
• reclassification	—	0.8	(0.3)	—	0.1	(0.4)	(0.4)	(0.2)
• disposals	(0.4)	(8.9)	(3.3)	(2.2)	(1.4)	(0.3)	—	(16.5)
• business combinations	—	0.1	0.1	—	—	—	—	0.2
• foreign exchange gains	—	0.2	0.1	0.1	0.1	—	—	0.5
At 31 December 2010	**2.4**	**73.3**	**37.6**	**12.3**	**20.0**	**4.3**	**1.3**	**151.2**
• acquisitions (Note 10.2)	—	4.0	2.3	1.3	1.2	0.1	1.6	10.5
• reclassification	—	(1.8)	3.0	0.1	0.6	0.2	(1.5)	0.6
• disposals	(0.1)	(1.8)	(1.4)	(2.4)	(2.8)	(0.1)	0.1	(8.5)
• business combinations	—	0.1	—	—	0.1	—	—	0.2
• foreign exchange gains (losses)	—	(0.3)	(0.4)	(0.1)	(0.2)	—	—	(1.0)
At 31 December 2011	**2.3**	**73.5**	**41.1**	**11.2**	**18.9**	**4.5**	**1.5**	**153.0**
Depreciation/impairment								
At 31 December 2009	**0.6**	**43.8**	**31.0**	**9.8**	**16.3**	**3.6**	**—**	**105.1**
• depreciation (Note 10.1)	—	5.5	2.3	1.5	2.4	0.3	—	12.0
• reclassification	—	1.2	(0.3)	—	(0.9)	—	—	—
• reversals	(0.1)	(3.9)	(2.7)	(2.0)	(1.3)	(0.5)	—	(10.5)
• business combinations	—	0.1	0.1	—	—	—	—	0.2
• foreign exchange gains	—	0.1	0.1	—	—	—	—	0.2
At 31 December 2010	**0.5**	**46.8**	**30.5**	**9.3**	**16.5**	**3.4**	**—**	**107.0**
• depreciation (Note 10.1)	—	4.3	2.7	1.2	2.1	0.2	—	10.5
• impairment	0.3	0.2	1.5	0.1	0.7	0.2	0.2	3.2
• reclassification	—	(0.9)	1.4	0.1	—	—	—	0.6
• reversals	—	(0.7)	(1.3)	(2.1)	(2.7)	(0.1)	—	(6.9)
• business combinations	—	(0.1)	—	—	0.1	—	—	—
• foreign exchange gains (losses)	—	(0.1)	(0.4)	(0.1)	(0.3)	—	—	(0.9)
At 31 December 2011	**0.8**	**49.5**	**34.4**	**8.5**	**16.4**	**3.7**	**0.2**	**113.5**
Net value								
At 31 December 2010	1.9	26.5	7.1	3.0	3.5	0.9	1.3	44.2
At 31 December 2011	**1.5**	**24.0**	**6.7**	**2.7**	**2.5**	**0.8**	**1.3**	**39.5**

Property, plant and equipment held under finance leases is set out in Note 29.2.

10.1 Reconciliation of depreciation/amortisation expense recorded in the income statement

	2011	2010
• intangible assets (Note 9)	(6.8)	(7.1)
• property, plant and equipment (Note 10)	(10.3)	(11.5)
Depreciation/amortisation expense	**(17.1)**	**(18.6)**

10.2 Reconciliation of acquisitions of property, plant and equipment and intangible assets presented in the statement of cash flows

	2011	2010
• intangible assets (Note 9)	5.4	5.4
• property, plant and equipment (Note 10)	10.5	8.7
Acquisitions of non-current assets	**15.9**	**14.1**

11 Investments in associates

In millions of euros	ENSSEMBLE	NEOPARTS	AD INTERNATIONAL	Total
At 31 December 2009	**1.8**	**—**	**0.3**	**2.1**
• net income	0.3		—	0.3
• dividends paid	—	—	—	—
• other changes	—	—	—	—
At 31 December 2010	**2.1**	**—**	**0.3**	**2.4**
• net income	0.4	—	—	0.4
• dividends paid	—	—	—	—
• other changes	—	0.2	0.1	0.3
At 31 December 2011	**2.5**	**0.2**	**0.4**	**3.1**

Key indicators at 31 December 2011

In millions of euros	ENSSEMBLE	NEOPARTS	AD INTERNATIONAL
Total current assets	24.3	7.9	14.1
Total non-current assets	9.1	0.7	0.7
Total current liabilities	19.3	5.8	12.8
Total non-current liabilities	1.2	1.8	0.0
Total equity	12.8	0.9	2.0
Total revenue	65.6	11.1	0.0
Net income (loss)	0.9	(0.1)	0.2

The Group's interest in each of the equity-accounted companies cited above is set out in Note 26.

12 Available-for-sale financial assets

The table below summarises the available-for-sale financial assets corresponding to non-consolidated equity investments measured at fair value at 31 December 2011.

Companies (€m)	% interest	Gross value	Impairment	Net value
AD Maroc	8.4%	0.27	0.27	—
SCI Morangis	10.3%	0.06	—	0.06
Other		0.29	0.03	0.26
Total		**0.62**	**0.30**	**0.32**

At 31 December 2010:

Companies (€m)	% interest	Gross value	Impairment	Net value
AD Maroc	8.4%	0.27	0.27	—
SCI Morangis	10.3%	0.06	—	0.06
Other		0.29	0.03	0.26
Total		**0.62**	**0.30**	**0.32**

13 Other non-current assets

In millions of euros	Receivables from controlled entities	Loans	Guarantees and deposits	Other	Total
Gross value					
At 31 December 2009	**0.3**	**0.5**	**5.4**	**0.4**	**6.6**
• acquisitions	—	0.3	0.3	—	0.6
• reclassification	—	—	—	—	—
• disposals	—	(0.1)	(0.8)	(0.2)	(1.1)
• business combinations	—	—	—	—	—
• foreign exchange gains	—	—	—	—	—
At 31 December 2010	**0.3**	**0.7**	**4.9**	**0.2**	**6.1**
Amortisation, depreciation and impairment	—	—	—	—	—
Net value at 31 December 2010	**0.3**	**0.7**	**4.9**	**0.2**	**6.1**

In millions of euros	Receivables from controlled entities	Loans	Guarantees and deposits	Other	Total
Gross value					
At 31 December 2010	**0.3**	**0.7**	**4.9**	**0.2**	**6.1**
• acquisitions	—	0.3	0.3	0.3	0.9
• reclassification	—	—	0.2	—	0.2
• disposals	(0.3)	(0.1)	(0.2)	—	(0.6)
• business combinations	—	—	—	—	—
• foreign exchange gains	—	—	—	—	—
At 31 December 2011	**—**	**0.9**	**5.2**	**0.5**	**6.6**
Amortisation, depreciation and impairment	—	—	—	(0.1)	(0.1)
Net value at 31 December 2011	**—**	**0.9**	**5.2**	**0.4**	**6.5**

14 Inventories

In millions of euros	31 Dec. 2011	31 Dec. 2010
Gross value	187.7	189.4
Impairment	(17.5)	(18.8)
Net value	**170.2**	**170.6**

15 Trade and other receivables

In millions of euros	31 Dec. 2011	31 Dec. 2010
Trade receivables	188.6	189.5
Discounts, rebates and refunds	(10.5)	(14.5)
Impairment	(10.1)	(12.0)
Net value	**168.0**	**163.0**

The Autodistribution group entered into a factoring agreement with Eurofactor for a total of €35.0 million. There had been no drawdowns at year-end. There is no offsetting effect of the factoring agreement in the Group's consolidated financial statements.

At 31 December 2011, the analysis of receivables past due but not impaired is summarised as follows:

In millions of euros	Total	Not yet due	Trade receivables past due: Less than 30 days	Between 30 and 60 days	Between 60 and 90 days	Between 90 and 120 days	More than 120 days
Trade receivables	188.6	169.2	5.9	2.5	1.0	0.7	9.3
DRR(*)	(10.5)						
Impairment	(10.1)						
Total	**168.0**						

(*) Discounts, rebates and refunds

At 31 December 2011, impairment relates primarily to trade receivables past due.

At 31 December 2010, the analysis of trade receivables past due but not impaired was:

	Total	Not yet due	Trade receivables past due: Less than 30 days	Between 30 and 60 days	Between 60 and 90 days	Between 90 and 120 days	More than 120 days
	In millions of euros	In millions of euros	In millions of euros	In millions of euros	In millions of euros	In millions of euros	In millions of euros
Trade receivables	189.5	165.7	6.7	2.5	0.9	0.5	13.2
DRR(*)	(14.5)						
Impairment	(12.0)						
Total	**163.0**						

(*) Discounts, rebates and refunds

Changes in impairment of trade and other receivables can be broken down as follows:

	2011 Trade receivables	2011 Other receivables	2010 Trade receivables	2010 Other receivables
Balance at 1 January	**12.0**	**0.2**	**13.5**	**0.1**
Allocation	3.5	—	5.9	0.1
Reversal	(5.5)	(0.1)	(7.5)	(0.1)
Newly-consolidated companies	0.1	—	0.1	—
Reclassifications	—	—	—	0.1
Balance at 31 December	**10.1**	**0.1**	**12.0**	**0.2**

16 Other current assets

In millions of euros	31 Dec. 2011	31 Dec. 2010
Prepaid income	8.0	7.5
Other receivables	2.3	4.3
Accrued income	2.8	1.7
Other	0.2	0.1
Total	**13.3**	**13.6**

17 Cash and cash equivalents

In millions of euros	31 Dec. 2011	31 Dec. 2010
Cash equivalents	70.7	66.9
Cash on hand and at bank	0.7	14.4
Restricted cash	0.1	0.1
Total	**71.5**	**81.4**

Cash equivalents include short-term deposits (€14.5 million) and investment securities which meet the cash equivalent criteria (€56.2 million). The investment securities are money market funds taken out with Amundi and BNP Paribas.

The carrying amount of all these items corresponds to their fair value.

For the purposes of the consolidated statement of cash flows, the heading "Cash and cash equivalents" includes the following items at 31 December:

In millions of euros	2011	2010
Cash equivalents	70.7	66.9
Cash on hand and at bank	0.7	14.4
Restricted cash	0.1	0.1
Bank overdrafts (Note 20.2)	(8.0)	(5.8)
Net cash (liability)	**63.5**	**75.6**

18 Issued capital and reserves

Parts Holdings (France) SAS was incorporated on 18 January 2006 via a fully paid-up cash subscription of €37,000. In connection with the acquisition of the Autodis Group, its capital was increased on 1 March 2006 by a cash contribution of €55,900,000 and on 23 June 2006 by inclusion of a shareholder current account of €1,100,000, thereby bringing it to €57,037,000. As a result of refinancing on 21 April 2009, the capital increased to €152,598,261. The company is wholly owned by Parts Holdings Coöperatief U.A.

At 31 December 2011, it consists of 152,598,261 registered shares of €1 each. No preference shares were issued.

There was no change in the number of shares between 2010 and 2011.

19 Presentation of financial assets and liabilities

At 31 December 2011:

In millions of euros	Assets/liabilities at fair value through income	Assets/liabilities at amortised cost	Available-for-sale assets at fair value	Total net book value	Total fair value
Available-for-sale financial assets	—	—	0.3	**0.3**	**0.3**
Other non-current assets	—	6.5	—	**6.5**	**6.5**
Trade receivables	—	168.0	—	**168.0**	**168.0**
Other current assets	—	13.3	—	**13.3**	**13.3**
Cash and cash equivalents	60.6	10.9	—	**71.5**	**71.5**
Derivative financial instruments	—	—	—	**—**	**—**
Financial assets	**60.6**	**198.7**	**0.3**	**259.6**	**259.6**
Borrowings and debt (current and non-current)	—	218.0	—	**218.0**	**218.0**
Trade payables	—	151.4	—	**151.4**	**151.4**
Other non-current liabilities	—	3.6	—	**3.6**	**3.6**
Other current liabilities(1)	—	5.9	—	**5.9**	**5.9**
Derivative financial instruments	—	0.9	—	**0.9**	**0.9**
Financial liabilities	**—**	**379.8**	**—**	**379.8**	**379.8**

At 31 December 2010:

In millions of euros	Assets/liabilities at fair value through income	Assets/liabilities at amortised cost	Available-for-sale assets at fair value	Total net book value	Total fair value
Available-for-sale financial assets	—	—	0.3	**0.3**	**0.3**
Other non-current assets	—	6.1	—	**6.1**	**6.1**
Trade receivables	—	163.0	—	**163.0**	**163.0**
Other current assets	—	13.6	—	**13.6**	**13.6**
Cash and cash equivalents	57.8	23.6	—	**81.4**	**81.4**
Derivative financial instruments	—	—	—		
Financial assets	**57.8**	**206.3**	**0.3**	**264.4**	**264.4**
Borrowings and debt (current and non-current)	—	228.6	—	**228.6**	**228.6**
Trade payables	—	152.0	—	**152.0**	**152.0**
Other non-current liabilities	—	2.7	—	**2.7**	**2.7**
Other current liabilities(1)	—	2.5	—	**2.5**	**2.5**
Derivative financial instruments	—	—	—	**—**	**—**
Financial liabilities	**—**	**385.8**	**—**	**385.8**	**385.8**

(1) excluding tax and social security liabilities outside the scope of IAS 39.

20 Borrowings and debt

20.1 Group financing

In 2011, Group financing remained stable compared to 2010 and can be broken down as follows:

The Group has four interest-free loans:

Type of borrowings and debt	Nominal value (€m)	Fair value at 31 Dec. 2011 (€m)	Value at amortised cost at 31 Dec. 2011 (€m)	Variable interest rate	Margin on variable interest rate	Maturity	Comments
PH free shareholder loan	50.0	47.1	47.1	—	—	April 2060	Fully underwritten
Sup bonds	25.5	24.1	24.1	—	—	April 2017	Fully underwritten
EP bonds	2.6	2.5	2.5	—	—	April 2017	Fully underwritten
Promissory note	5.0	4.7	4.7	—	—	April 2017	Fully underwritten
Total	**83.1**	**78.4**	**78.4**	—	—		

Other means of financing are listed below:

Type of borrowings and debt	Nominal value (€m)	Value (€m)	Interest eligible for capitalisation — April	Variable interest rate(1)	Margin on variable interest rate	Maturity	Comments
PH senior equity loan	30.0	26.7	8.0%	—	—	April 2018	Fully underwritten
Refinancing term facility loan	81.1	77.2	—	Euribor	2.75%	April 2016	Fully underwritten
Corporate purposes term facility	23.4	22.3	—	Euribor	2.75%	April 2016	Fully underwritten

(1) 1, 2, 3, or 6-month Euribor depending on the term of the drawdown period.

On 30 June 2011, €15.0 million was repaid in advance of term on the above borrowings. This repayment broke down as follows:

	Early repayment
PH senior equity loan	10.0
Refinancing term facility loan	3.9
Corporate purposes term facility	1.1
Total	**15.0**

20.2 Breakdown of borrowings and debt by type

In millions of euros	Notes	2011	2010
Non-current			
• Corporate purposes term facility		22.3	23.4
• Promissory note		4.7	4.5
• Refinancing term facility loan		77.2	81.1
• PH senior equity loan		26.7	32.4
• PH free shareholder loan		47.1	44.9
• Sup Bonds		24.1	22.9
• EP bonds		2.5	2.4
• Amounts owed under finance leases (more than one year)	(1)	0.7	1.6
• Other borrowings and accrued interest	(2)	0.3	2.3
Sub-total of non-current borrowings and debt		**205.6**	**215.5**
Current			
• Value of put option held by minority shareholders		3.9	3.9
• Amounts owed under finance leases (less than one year)	(1)	0.5	3.1
• Other borrowings (less than one year)	(2)	—	0.3
• Dailly/LCL		—	—
• Bank overdrafts (Note 17)	(3)	8.0	5.8
Sub-total of current borrowings and debt		**12.4**	**13.1**
Total borrowings and debt		**218.0**	**228.6**

(1) Amounts owed under finance leases are the result of leases and sale and leaseback agreements for financing the purchase of vehicles and to certain investments in real estate, IT and furnishings.

(2) Borrowings and debts incurred by some of the Group's subsidiaries

(3) Bank overdraft used by the subsidiaries in Poland and bank account debit balances resulting from standard time lags between recording date for banking purposes and entry dates in the accounts.

20.2.1 Bond issues

The balance of bond issues at 31 December 2011 is broken down below:

Bond issue	Value at issue date (€m)	Liabilities at amortised cost	Fair value at 31 Dec. 2011 (€m)	Including interest eligible for capitalisation	Including accrued interest eligible for capitalisation	Including accrued interest payable
SUP Notes	25.5	24.1	24.1	—	—	—
EP Notes	2.6	2.5	2.5	—	—	—

20.2.2 Bank overdrafts

Interest on bank overdrafts used by the Group and its subsidiaries is charged at market rates.

At 31 December 2011, the Group had available credit lines of €58.4 million as follows:

	Conditions	Drawdowns
Poland — Pekao Bank	PLN 24.5 million (i.e., €5.5 million at 31 Dec. 2011) at 1-month Wibor +1.20%	Partial drawdown of €4.6 million
BNPP — Ancillary facility	€2.9 million at 1, 2, 3 or 6-month Euribor +2.75%	Not drawn
Eurofactor AD and Gadso factoring	€35.0 million at 3-month Euribor +0.90%	Not drawn
LCL Dailly	€15.0 million at 1-month Euribor +1.80%	Not drawn

20.3 Breakdown of non-current borrowings and debt by maturity

The amounts below include contractual cash flows net of projected repayments plus interest payable.

	Interest payment				Gross repayments				
In millions of euros	Less than 1 year	Between 1 and 5 years	More than 5 years	Total	Less than 1 year	Between 1 and 5 years	More than 5 years	Total	
Corporate purposes term facility	0.9	3.5		**4.5**		22.3		**22.3**	**26.8**
Promissory note				**0.0**			5.0	**5.0**	**5.0**
Refinancing term facility loan	3.3	12.2		**15.5**		77.2		**77.2**	**92.7**
PH senior equity loan			15.8	**15.8**			25.1	**25.1**	**40.9**
PH free shareholder loan				**0.0**			50.0	**50.0**	**50.0**
Sup bonds				**0.0**			25.5	**25.5**	**25.5**
EP bonds				**0.0**			2.6	**2.6**	**2.6**
Amounts owed under finance leases	0.1	0.1		**0.2**	0.5	0.7		**1.2**	**1.4**
Other borrowings and accrued interest				**0.0**	0.3			**0.3**	**0.3**
Total non-current borrowings and debt	**4.3**	**15.9**	**15.8**	**36.0**	**0.8**	**100.2**	**108.2**	**209.2**	**245.2**

21 Management objectives and policies for financial risks

The Group's main instruments consist of borrowings and bank overdrafts, amounts owed under finance leases, trade payables, lease agreements with a purchase option and loans granted. The key objective of these financial instruments is to finance the Group's operating activities. The Group has other financial assets such as trade receivables, cash and cash equivalents and short-term deposits, which are generated directly by its operations.

The main risks related to the Group's financial instruments are cash flow interest rate risks, foreign exchange risks, counterparty risk and liquidity risk. These policies are summarised below.

Moreover, the Group manages its capital in such a way as to optimise the debt to capital ratios and the financial leverage obtained by debt.

21.1 Interest rate risk

The Group borrows from Citibank at a variable rate and is therefore exposed to an interest rate risk for this portion of the debt.

As the Group's strategy is to borrow at fixed rates to reduce its exposure to interest rate fluctuations, hedges are taken out for variable-rate borrowings.

In January 2010, the Group hedged a portion of its variable-rate debt by purchasing a cap with the following characteristics:

- Underlying liability = €58.0 million
- Term = 3 years
- Maturity = 31 December 2012
- Capped rate = 3.0%
- Benchmark index = 3-month Euribor
- Revised = Quarterly (31 March/30 June/30 September/31 December)

21.2 Foreign exchange risk

The Group is exposed to exchange rate risk for its operations in Poland accounted for in zloty and translated in the consolidated financial statements in accordance with the principles described in Note 3.3.2.

The resulting translation differences are allocated directly to a separate line item under equity and were not material at 31 December 2011. No specific hedges were taken out for this exchange risk.

21.3 Counterparty risk

The Group only has commercial relationships with third parties that are financially healthy. The Group's policy is to verify the financial health of all customers that wish to obtain payment credit terms. Moreover, customer balances are continually monitored and, accordingly, the Group's exposure to bad debt is not material.

Regarding the credit risk relating to the Group's other financial assets, particularly cash and cash equivalents, available-for-sale financial assets and some derivative instruments, the Group's exposure relates to potential defaults by the relevant third parties with a maximum exposure equal to the carrying amount of these instruments.

21.4 Liquidity risk

The Group's objective is to maintain a balance between the continuity and flexibility of financing through the use of bank borrowings, bonds, finance leases and purchases on credit.

The bank borrowings with Citibank and the bonds issued by Autodis are subject to compliance with bank covenants calculated on a quarterly basis. Failure to comply with these covenants may result in early repayment of credit lines (see below).

The financial ratios used in the covenants are calculated on the basis of the Group's consolidated financial statements as follows:

- Net borrowings/proforma EBITDA,
- Cash flow/servicing of the debt.

In connection with the takeover of the Parts Holdings Group (France), the renegotiated bank agreement does not provide for the calculation of any financial ratios before 30 June 2012.

21.5 Capital management

The Group's main objective in terms of its capital management is to ensure that it maintains a good credit risk rating and healthy capital ratios so as to facilitate its operations and maximise value for shareholders.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group can adjust the payment of dividends to shareholders, repay some of the capital or issue new shares.

22 Liabilities relating to employee benefits

The provisions recorded in the statement of financial position relate to post-employment benefits.

22.1 Changes in the provision on the statement of financial position

In millions of euros	2011	2010
Obligation at 1 January	**18.3**	**18.0**
Service cost	0.6	0.6
Discounting cost	0.8	0.9
Actuarial gains(*)	(5.4)	(0.2)
Change in scope	—	(0.4)
Curtailments/terminations	—	—
Benefits paid	(0.5)	(0.6)
Obligation at 31 December	**13.8**	**18.3**
Plan assets at 31 December	(0.3)	(0.3)
Unrecognised actuarial differences	11.8	6.7
Provision	**25.3**	**24.7**

(*) Significant actuarial gains of €5.4 million were primarily a result of a change in the projected turnover rate of employees following a study conducted in 2011 (see Note 22.3). These gains represented €4.6 million with experience gains of €0.8 million.

The provision recorded in the statement of financial position has changed as follows:

In millions of euros	2011	2010
Provision at 1 January	24.7	24.5
Expense for the year	1.1	1.2
Benefits paid	(0.5)	(0.7)
Changes in scope/curtailments	—	(0.4)
Benefits paid by the fund	—	0.1
Provision at 31 December	**25.3**	**24.7**

22.2 Costs of post-employment benefits recorded in income

In millions of euros	2011	2010
Service cost	(0.6)	(0.6)
Discounting cost	(0.8)	(0.9)
Recognised actuarial gain	0.3	0.3
Curtailments/terminations	—	—
Expense for the year	**(1.1)**	**(1.2)**

22.3 Actuarial assumptions

The basic assumptions made for these calculations (employee turnover rate and salary increase rate) have been determined on the basis of the Group's projected and historical policy. The assumptions made for the valuations of the referenced periods are as follows:

	2011		2010	
	France	Poland	France	Poland
Discount rate	4.30%	5.80%	4.50%	5.90%
Assumption relating to long-term changes in the number of employees				
Employees — supervisors	2.50%/year	3.50%/year	2.50%/year	3.50%/year
Managerial staff	3.50%/year	4.50%/year	3.50%/year	4.50%/year

In 2010, mortality rates were defined individually based on prospective tables by generation (TPG-93).

The mortality tables used in 2011 are TGH 05 and TGF 05. They include both the "gender" factor and the "age" factor.

The discount rates applied are obtained by reference to the long-term yield on investment grade bonds.

Employee turnover rates are shown in the table below:

	2011			2010	
Age	**Managerial staff**	**Technical and supervisory staff**	**Employees**	**Managerial staff**	**Supervisory staff and employees**
16-24	22%	8%	19%	10%	7%
25-29	22%	8%	14%	7%	5%
30-34	13%	8%	14%	4%	3%
35-39	13%	8%	11%	2%	2%
40-44	13%	8%	9%	1%	1%
45-49	5%	3.5%	3.5%	0.5%	0.5%
50-55	3.5%	3%	3%	0%	0%
56 and over	0%	0%	0%	0%	0%

The study conducted in 2011 to analyse departures between 2008 and 2010 resulted in the adjustment of employee turnover rates.

The effect of these new Group employee turnover rates was a significant gain of €4.6 million.

23 Other non-current liabilities

In millions of euros	31 Dec. 2011	31 Dec. 2010
Employee profit-sharing	—	0.1
Guarantees and deposits received	1.6	1.6
Other	2.1	1.0
Total	**3.7**	**2.7**

24 Current and non-current provisions

24.1 Current provisions

Current provisions have changed as follows:

In millions of euros	1 Jan. 2011	Business Combinations	Allocations	Reversals (used provisions)	Reversals (surplus provisions)	Total reversals	31 Dec. 2011
Industrial disputes	**2.4**	—	0.8	(1.5)	(0.2)	(1.7)	**1.5**
Site closures	**3.2**	—	0.5	(1.4)	(0.3)	(1.7)	**2.0**
Repairs — major work	**1.2**	—	—	—	(0.4)	(0.4)	**0.8**
Tax risk	**3.3**	—	0.4	—	(1.3)	(1.3)	**2.4**
Provision for the risk relating to conditions of sale of AD Rhône	**2.7**	—	—	—	(0.5)	(0.5)	**2.2**
Supplier disputes	**0.4**	—	—	(0.1)	—	(0.1)	**0.3**
Customer disputes	**0.2**	—	0.2	—	—	—	**0.4**
Other provisions	**0.4**	—	0.4	(0.3)	—	(0.3)	**0.5**
Total	**13.8**	—	2.3	(3.3)	(2.7)	(6.0)	**10.1**

In the ordinary course of its operations, the Group may be involved in legal procedures relating to industrial disputes, commercial disputes, etc. In these cases, in conjunction with its legal advisors, the Group analyses the circumstances of the dispute and assesses the probability of an outflow of resources.

24.2 Non-current provisions

Movements in non-current provisions were as follows:

In millions of euros	1 Jan. 2011	Business Combinations	Allocations	Reversals (used provisions)	Reversals (surplus provisions)	Total reversals	31 Dec. 2011
Site closures	—	—	6.0	—	—	—	**6.0**
Total	—	—	6.0	—	—	—	**6.0**

The non-current provision for site closures relates to the closure of Logisteo's "B" site at Moissy Cramayel, explained in Note 6.6.

25 Trade payables and other current liabilities

In millions of euros	31 Dec. 2011	31 Dec. 2010
Trade payables	**151.4**	**152.0**
Other current liabilities		
Tax and social security liabilities, employees	54.1	50.0
Employee profit-sharing (current)	0.7	0.8
Other payables	2.7	0.4
Prepaid income	2.5	2.1
Sub-total	**60.0**	**53.3**
Total	**211.4**	**205.3**

26 Scope of consolidation

At 31 December 2011, the scope of consolidation was as follows:

	Consolidation method	Country	% interest 2011	% interest 2010
Parts Holdings (France)	Parent	France	100	100
Arnaudiès	Full	France	100	100
Autodis	Full	France	100	100
SDFM	Full	France	100	100
Magenta Autos Pièces	Full	France	99.97	99.97
Autodistribution	Full	France	100	100
AD Grand Ouest (formerly-Maine Et Loire)	Full	France	100	100
AD Normandie Maine	Full	France	79.40	79.40
ALES PL	Full	France	50.50	50.50
AM Développement	Full	France	100	100
Boury V.I.	Full	France	100	100
Bremstar	Full	France	100	100
Busnengo	Full	France	99.98	99.98
Cofirad	Full	France	100	100
Cofirhad (formerly AD Isère)	Full	France	100	100
Cogemad	Full	France	100	100
Comptoir du Frein	Full	France	100	100
Comptoir Technique V.I.	Full	France	100	100
Comptoir Technique du Limousin	Full	France	100	100
Comptoir Vitryat	Full	France	100	
Cora SAS	Full	France	100	100
Etablissements Rembaud	Full	France	100	100
Etablissements Saillard	Full	France	100	
FIA	Full	France	100	100
Gadca (formerly Dufour)	Full	France	100	100
Gadest (formerly Jullien)	Full	France	100	100
Gadso	Full	France	100	100
Gibelin	Full	France	99.92	99.92
Girde	Full	France	100	100
H.I.S.	Full	France	100	100
Immax	Full	France	100	100
Jean David	Full	France	100	
JP David	Full	France	100	
Logisteo	Full	France	100	100
Malinge Chevalier (AD 72)	Full	France	79.40	79.40
Plateforme Technique Nationale Montajault (formerly MAX 22)[(1)]	Full	France	100	100
MEXIA	Full	France	99.95	99.95
AD Bassin Parisien Nord (formerly Morize)	Full	France	99.99	99.99
Comptoir V.I.	Full	France	50.50	50.50
PAM	Full	Belgium	100	100
PAO	Full	Belgium	100	100
Poids Lourds Blesois	Full	France	100	100
SIA	Full	France	100	
Sofar	Full	France	75.00	75.00
Sylmart Belgium	Full	Belgium	100	100
Teulat	Full	France	100	
TC26	Full	France	100	
Truck Car Services	Full	France	100	
Parts Distribuzione Italia	Full	Italy	73.17	73.17

	Consolidation method	Country	% interest 2011	% interest 2010
Parts Holdings Italy	Full	Italy	100	100
AD Polska	Full	Poland	100	100
Dakol	Full	Poland		100
Stachura	Full	Poland		100
Stenmot	Full	Poland		100
AD Polska Aftermarket	Full	Poland	100	
AD International	Equity method	Belgium	20.00	17.14
Enssemble	Equity method	France	20.00	20.00
Neoparts	Equity method	France	20.00	20.00

(1) Max 22 changed its business name to Plateforme Technique Nationale Montajault (PTNM). Its business concerns engine reconditioning.

27 Transactions with related parties

Relationship with the shareholder

The sole shareholder of Parts Holdings (France) is Parts Holdings BV.

Parts Holdings BV, which is owned by Parts Holdings Coöperatief U.A., finances the Group via the following loans: PH free shareholder loan and PH senior equity loan described in Note 20.1.

The Group pays management fees of €0.14 million per quarter to Parts Holdings Coop and €0.01 million per quarter to Parts Holdings BV.

28 Management compensation

The key management personnel of a group within the meaning of IAS 24 are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

The Group's key management personnel are the directors and the members of the Executive Committee.

Compensation recorded in PHF expenses for 2011 and 2010 is set out in the table below.

In millions of euros	2011	2010
Gross compensation	4.3	3.4
Other personnel costs(*)	1.2	1.0
Net personnel costs	**5.5**	**4.4**

(*): social security contributions, profit-sharing and departure costs

Moreover, no directors' fees have been paid or are due to be paid in respect of 2011.

29 Commitments

29.1 Commitments in respect of operating leases where the Group is the lessee

The Group has entered into operating leases relating primarily to real estate and light and commercial vehicles as well as payment terminals and miscellaneous IT and office equipment.

The minimum future rents payable under the non-cancellable operating leases are as follows at 31 December 2011:

29.1.1 Poland

In millions of euros	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Real estate rental	1.8	4.9	2.1	**8.8**
Vehicle rental	0.5	0.1	0.0	**0.6**
Other	—	—	—	—
Total	**2.3**	**5.0**	**2.1**	**9.4**

29.1.2 France

In millions of euros	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Real estate rental	23.8	67.9	7.3	**99.0**
Vehicle rental	3.8	4.7	—	**8.5**
Other	1.9	2.3	—	**4.2**
Total	**29.5**	**74.9**	**7.3**	**111.7**

Rental expenses for 2011 amount to €37.0 million.

29.2 Commitments to finance leases and similar leases

29.2.1 Poland

The minimum rental commitments arising from finance leases entered into by AD Polska and its affiliates in Poland can be broken down as follows:

In millions of euros	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Real estate rental	—	—	—	—
Vehicle rental	—	—	—	—
Other	—	—	—	—
Total	—	—	—	—

29.2.2 France

The following tables show the information relating to non-current assets held under finance leases in France.

The agreement entered into in 2006 with ECS and the amendments negotiated through to 2010 were renegotiated in June 2011. This renegotiation relates to the termination of the existing agreement in consideration for early termination compensation through the financing of IT equipment in the amount of €1.3 million under a new agreement.

In millions of euros	Software and licences	Property and fixtures	IT equipment	Furnishings	Total
Gross value					
At 31 December 2010	**7.7**	**1.1**	**10.6**	**0.3**	**19.7**
• acquisitions			1.7		1.7
• reclassifications					
• repurchases	(7.7)	(1.1)	(9.6)	(0.3)	(18.7)
At 31 December 2011	**0.0**	**0.0**	**2.7**	**0.0**	**2.7**
Depreciation, amortisation and impairment					
At 31 December 2010	**6.4**	**0.9**	**9.4**	**0.3**	**17.0**
• acquisitions			0.4		0.4
• allocations	1.2	0.2	1.1	0.1	2.6
• business combination					
• repurchases	(7.6)	(1.1)	(9.4)	(0.4)	(18.5)
At 31 December 2011	**0.0**	**0.0**	**1.5**	**0.0**	**1.5**
Net value					
At 31 December 2010	1.3	0.2	1.2	0.0	2.7
At 31 December 2011	**0.0**	**0.0**	**1.2**	**0.0**	**1.2**

In millions of euros	2010	New financing	Repayment	2011	Outstanding capital: Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Borrowings and debt	4.7	1.2	(4.7)	1.2	0.5	0.7	0.0	1.2

The amount of financial expenses recorded in 2011 is equal to €1.5 million, of which €1.0 million relates to the termination of the ECS lease agreements negotiated in 2006.

Commitments for minimum future rentals payable under finance leases entered into are as follows:

	Less than one year	Between 1 and 5 years	More than 5 years	Total
Rentals	0.6	0.8	0.0	**1.4**

29.3 Guarantees

29.3.1 Guarantees relating to the "Senior Facilities Agreement"

Pledges

The financing framework agreement with Citibank established on 24 February 2006 to which several amendments have been made, the last being in 2009, provides for the pledge of some of the assets of Autodis and its subsidiaries to lenders, detailed as follows:

- Pledge of equity interest:

Pledged securities (In numbers of shares)	Autodis	SDFM	Magenta Auto Pièces	Autodistribution
Autodistribution	3,790,300	158,472	149,996	
SDFM	175,297			
Magenta Auto Pièces	8,557			
Cogemad				417,464
FIA				78,985
Gadso				978,604
Cofirhad				195,170
Gadest				2,846,164
AD Grand Ouest				1,815,040
Autodistribution Bassin Parisien Nord				1,339,336

The pledges relate to 100% of the shares owned by the Group.

- Pledge of the business operated by Autodistribution at the Morangis site.
- Pledge of the trademarks owned by Autodistribution
  - "L'Autodistribution" (term) in France under registration number 1629230,
  - "Autodistribution" (semi-figurative) in France under registration number 1554818,
  - "AD" (term and design) in France under registration number 1629231.

Assignments of receivables

The agreement between Autodis and Citibank to assign trade receivables, signed on 2 March 2006 and amended on 21 April 2009, was signed for a maximum amount of €107.4 million trade receivables.

At 31 December 2011, no assignment of receivables as security is in progress.

Bank covenants

The bank agreement signed with Citibank and the bonds issued by Autodis are subject to compliance with the bank covenants calculated on a quarterly basis from June 2012 following the takeover of the Parts Holdings Group (France). Failure to comply with said covenants could result in the early repayment of financing lines.

29.3.2 Other Group guarantees

Bank overdrafts in Poland are secured by pledges of inventory for a total value of €15.5 million.

29.4 Individual training entitlement

The balance of the number of unused hours at 31 December 2011 was 511,364. The number of hours accrued over the year was 96,399 and 12,206 hours were used.

29.5 Disputes

In collective proceedings, Klarius France, a manufacturer of automobile spare parts in France, brought proceedings against Autodistribution and some of its subsidiaries before the French Commercial Court (*Tribunal de Commerce*) for the sudden termination of an established commercial relationship. Their claim is approximately €2.4 million. No provision was set aside in the Group's accounts as of 31 December 2011 as management and its advisors considered that, in view of the facts of the case, there is a low risk of conviction.

30 Events after the end of the reporting period

No events took place after the end of the reporting period.

Parts Holdings (France) S.A.S.

Consolidated Financial Statements 31 December 2010

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the group's management report.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

Parts Holdings (France)

Year ended December 31, 2010

Statutory auditors' report
on the consolidated financial statements

Constantin Associés
Member of Deloitte Touche Tohmatsu
185, avenue Charles de Gaulle
92524 Neuilly-sur-Seine Cedex
S.A. au capital de € 831.000

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

ERNST & YOUNG et Autres
41, rue Ybry
92576 Neuilly-sur-Seine Cedex
S.A.S. à capital variable

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

Parts Holdings (France)
Year ended December 31, 2010

Statutory auditors' report
on the consolidated financial statements

To the Sole Shareholder,

In compliance with the assignment entrusted to us by your articles of association and by a collective decision of the shareholders, we hereby report to you, for the year ended December 31, 2010, on:

- the audit of the accompanying consolidated financial statements of Parts Holdings (France);
- the justification of our assessments;
- the specific verification required by law.

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

I. 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 December 31, 2010 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.

II. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French commercial code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- In the context of our assessment of the accounting rules and methods applied by your company, we have ensured that the accounting rules and methods relating to business combinations, deferred taxes, pensions and other post-employment benefits, and inventory impairment, as described respectively in the notes 3.3.8, 3.3.19, 3.3.15b) and 3.3.11 to the consolidated financial statements, are appropriate and were applied consistently. In the case estimates need to be performed for their implementation, our procedures consisted in assessing the data and assumptions on which these estimates were based, and the reasonableness of the resulting valuations.
- The group performs systematically, at the end of each reporting period, impairment tests of goodwill and intangible assets with indefinite useful lives, and also assesses whether an

indication of impairment of other non-current assets exists, following the methodology described in the notes 3.3.7 and 3.3.8b) to the consolidated financial statements. We have reviewed the soundness of the chosen approach and the assumptions used for these impairment tests and we carried out the assessment of the reasonableness of the calculations made by the group in that respect. We have also ensured that the information given in the notes 3.2.1, 3.3.7, 3.3.8b), 6.5, 8.1 and 8.2 to the consolidated financial statements is appropriate.

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.

III. 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, April 27, 2011

The statutory auditors
French original signed by

Constantin Associés — ERNST & YOUNG et Autres

Jean Paul Seguret — Benoit Pimont — Benoit Schumacher

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Consolidated Income Statement

In millions of euros

	Notes	2010 12 months	2009 12 months
REVENUE	*6.1*	**1,090.7**	**1,037.7**
Cost of goods for sale		(712.5)	(665.8)
Personnel costs	*6.2*	(223.7)	(221.7)
Other purchases and external expenses		(122.9)	(121.6)
Taxes		(8.4)	(13.0)
Other operating income and expenses	*6.3*	2.3	4.3
EBITDA		**25.5**	**19.9**
Depreciation/amortisation expense	*9 & 10*	(18.6)	(20.2)
RECURRING OPERATING INCOME (EXPENSE)		**6.9**	**(0.3)**
Other income from operations	*6.4*	23.1	8.3
Other expenses from operations	*6.5*	(29.0)	(37.3)
OPERATING INCOME (EXPENSE)		**1.0**	**(29.3)**
Borrowing costs	*6.6*	(11.2)	453.5
Other financial income and expenses	*6.6*	0.7	(1.0)
Share of income of associates	*11*	0.3	0.6
INCOME (LOSS) BEFORE TAX		**(9.2)**	**423.8**
Income tax	*6.7*	(2.0)	(5.2)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS		**(11.2)**	**418.6**
Net income (loss) from discontinued operations	5	—	—
NET INCOME (LOSS) FOR THE YEAR		**(11.2)**	**418.6**
Attributable to:			
- Owners of the parent:		(11.2)	419.5
- Non-controlling interests		—	(0.9)
Earnings (loss) per share		(€0.073)	€ 2.749

In accordance with IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations, net income (loss) from discontinued operations is presented separately in the income statement. The relevant transactions are described in Note 5.

Statement of Comprehensive Income

In millions of euros

	2010 12 months	2009 12 months
NET INCOME (LOSS)	**(11.2)**	**418.6**
Foreign exchange gains (losses)		—
Remeasurement of hedging instruments		6.2
Remeasurement of available-for-sale financial assets		
Remeasurement of non-current assets		
Actuarial gains and losses on defined benefit plans		
Share in comprehensive income of associates		
OTHER COMPREHENSIVE INCOME	**—**	**6.2**
TOTAL COMPREHENSIVE INCOME (LOSS)	**(11.2)**	**424.8**

The Parts Holdings (France) Group's other comprehensive income corresponds to the remeasurement of financial instruments in accordance with IAS 39.

Consolidated Statement of Financial Position

In millions of euros

	Notes	31 December 2010	31 December 2009
ASSETS			
Goodwill	*8*	2.9	12.8
Intangible assets	*9*	25.2	16.1
Property, plant and equipment	*10*	44.2	53.4
Investments in associates	*11*	2.4	2.1
Available-for-sale financial assets	*12*	0.3	0.4
Other non-current assets	*13*	6.1	6.6
Deferred tax assets	*6.7*	7.5	2.3
TOTAL NON-CURRENT ASSETS		**88.6**	**93.7**
Inventories	*14*	170.6	163.9
Trade receivables	*15*	163.0	159.6
Other current assets		13.6	11.4
Cash and cash equivalents	*16*	81.4	93.7
Derivative financial instruments		—	—
TOTAL CURRENT ASSETS		**428.6**	**428.6**
Non-current assets held for sale	*5*	—	—
TOTAL ASSETS		**517.2**	**522.3**
EQUITY AND LIABILITIES			
Share capital	*17*	152.6	152.6
Other reserves	*17*	(105.3)	(525.3)
Net income (loss) attributable to owners of the parent		(11.2)	419.5
SHAREHOLDERS' EQUITY		**36.1**	**46.8**
NON-CONTROLLING INTERESTS		**0.3**	**0.9**
- Net assets		0.3	1.8
- Net income (loss)		—	(0.9)
TOTAL EQUITY		**36.4**	**47.7**
Non-current borrowings and debt	*19*	215.5	213.9
Non-current provisions		—	—
Liabilities relating to employee benefits	*21*	24.7	24.5
Deferred tax liabilities	*6.7*	5.7	2.3
Other non-current liabilities	*22*	2.7	2.7
TOTAL NON-CURRENT LIABILITIES		**248.6**	**243.4**
Current borrowings and debt	*19*	13.1	18.4
Current provisions	*23*	13.8	12.4
Trade payables	*24*	152.0	147.9
Other current liabilities	*24*	53.3	52.5
Derivative financial instruments		—	—
TOTAL CURRENT LIABILITIES		**232.2**	**231.2**
Liabilities directly associated with assets held for sale	*5*	—	—
TOTAL EQUITY AND LIABILITIES		**517.2**	**522.3**

Consolidated Statement of Changes in Equity

In millions of euros

For the year ended 31 December 2009

	Attributable to owners of the parent							
In millions of euros	**Share capital**	**Additional paid-in capital**	**Foreign exchange gains and losses**	**Remeasurement of financial instruments**	**Consolidated reserves**	**Shareholders' equity**	**Non-controlling interests**	**Total equity**
At 31 December 2008	**57.0**	**—**	**(2.0)**	**(6.2)**	**(537.7)**	**(488.9)**	**10.0**	**(478.9)**
Net income for the year					419.5	**419.5**	(0.9)	**418.6**
Other changes	95.6				(0.2)	**95.4**	(7.0)	**88.4**
Dividends paid							(1.2)	**(1.2)**
Remeasurement of financial instruments (Note 19.1)				6.2	14.6	**20.8**		**20.8**
Foreign exchange gains (losses)								
At 31 December 2009	**152.6**	**—**	**(2.0)**	**—**	**(103.8)**	**46.8**	**0.9**	**47.7**

For the year ended 31 December 2010

	Attributable to owners of the parent							
In millions of euros	**Share capital**	**Additional paid-in capital**	**Foreign exchange gains and losses**	**Remeasurement of financial instruments**	**Consolidated reserves**	**Shareholders' equity**	**Non-controlling interests**	**Total equity**
At 31 December 2009	**152.6**	**—**	**(2.0)**	**—**	**(103.8)**	**46.8**	**0.9**	**47.7**
Net income (loss) for the year					(11.2)	**(11.2)**	—	**(11.2)**
Other changes					(0.2)	**(0.2)**	(0.5)	**(0.7)**
Dividends paid						—	(0.1)	**(0.1)**
Remeasurement of financial instruments (Note 19.1)						—	—	—
Foreign exchange gains (losses)			0.7			**0.7**	—	**0.7**
At 31 December 2010	**152.6**	**—**	**(1.3)**	**—**	**(115.2)**	**36.1**	**0.3**	**36.4**

Consolidated Statement of Cash Flows

	Notes	2010	2009
Cash flows from operating activities			
Recurring operating income from consolidated companies		**6.9**	**(0.3)**
Amortisation, depreciation and provisions		18.0	23.2
Changes in working capital		(2.1)	(28.0)
- Inventories		*(0.0)*	*(9.4)*
- Receivables		*(2.2)*	*21.6*
- Payables		*2.5*	*(54.5)*
- Other receivables and payables		*(2.4)*	*14.3*
Other items with a cash impact:			
- Income tax		(3.6)	(1.8)
Other operating items with a cash impact		(3.7)	(3.8)
Net cash from (used in) operating activities — continuing operations		**15.5**	**(10.8)**
Net cash from operating activities — discontinued operations	*5*	**—**	**—**
Cash flows from investing activities			
Acquisitions of fixed assets	*10.2*	(14.1)	(17.0)
Changes in other financial assets		0.5	(0.8)
Disposal of fixed assets		3.6	4.6
Impact of changes in scope		(2.2)	—
- Acquisitions net of cash acquired	*4.1.1*	*(2.2)*	—
- Disposals net of cash transferred		—	—
Net cash used in investing activities — continuing operations		**(12.2)**	**(13.2)**
Net cash from investing activities — discontinued operations	*5*	**—**	**—**
Cash flows from financing activities			
Dividends paid to the owners of the parent company	*7*	—	—
Dividends paid to non-controlling interests of consolidated companies		(0.1)	(1.1)
Dividends received from associates	*11*	—	—
Acquisition of non-controlling interests		—	(4.4)
Capital increase in cash		—	0.4
Financial expenses with a cash impact		(8.1)	(16.4)
Financial income with a cash impact		0.9	50.4
Increase in borrowings		0.1	117.6
Repayment of borrowings		(4.7)	(4.2)
Change in other financial liabilities		(6.7)	—
Net cash from (used in) financing activities — continuing operations		**(18.6)**	**142.3**
Net cash from financing activities — discontinued operations	*5*	**—**	**—**
Change in cash and cash equivalents — continuing operations		**(15.3)**	**118.3**
Change in cash and cash equivalents — discontinued operations		**—**	**—**
Cash and cash equivalents at the beginning of the year	*16*	**90.9**	**(27.4)**
Impact of currency rate fluctuations		—	—
Cash and cash equivalents at end of year	*16*	**75.6**	**90.9**

Notes to the Consolidated Financial Statements

1 Approval of the financial statements

On 31 March 2011, the Chairman approved Parts Holdings (France) S.A.S.'s consolidated financial statements for the year ended 31 December 2010. Parts Holdings (France) is a simplified joint-stock company (*société par actions simplifiée* — S.A.S.) with a sole shareholder. It was incorporated on 18 January 2006.

The shareholder is Parts Holdings Coöperatief U.A.

The Parts Holdings (France) Group specialises in the distribution of automotive spare parts. The Group's activities focus on two areas: Light Vehicles (LV) and Heavy Vehicles (HV).

The Group is France's leading independent distributor of automotive spare parts.

2 Information relating to the parent company

Parts Holdings (France)

A simplified joint-stock company with capital of €152,598,261.00

Registered office: 22 Avenue Aristide Briand, 94110 Arcueil, France

Registered with the Créteil Trade and Companies Registry under number 488 077 165

Parts Holdings (France) and its subsidiaries are included in the consolidated financial statements of Parts Holdings Coöperatief U.A., a company incorporated under Dutch law and registered with the Dutch Trade and Companies Registry under number 30254923, having its registered office at Schiphol Boulevard 329, 1118 BJ Luchthaven, Schiphol, Netherlands.

3 Accounting rules and methods

The consolidated financial statements of Parts Holdings (France) S.A.S. and all its subsidiaries (the "Group") have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union on 31 December 2010 and available on the following website:

http://ec.europa.eu/internal_market/accounting/ias/index_en.htm

The Group's consolidated financial statements have been drawn up using the historical cost convention, with the exception of derivative financial instruments and financial assets available for sale, which are measured at fair value.

The consolidated financial statements are presented in euros and all values are rounded to the nearest million (€m) unless stated otherwise.

3.1 Basis of preparation

The accounting principles applied are consistent with those used to prepare the annual consolidated financial statements for the year ended 31 December 2009, with the exception of the adoption of the following new standards and interpretations:

- Amendment to IFRS 2 — Share-based Payment — with respect to cash-settled share-based payment intra-group transactions;
- Improvements to IFRSs 2007-2009 (April 2009): These improvements mainly concerned the following standards:
    - IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations, to clarify disclosure requirements for groups of assets reclassified as "Assets held for sale",
    - IFRS 8 — Operating Segments, to eliminate the requirement to disclose the amount of segment assets if this information is not regularly provided to the chief operating decision maker (alignment with the equivalent provision on segment liabilities),

  - IAS 1 — Presentation of Financial Statements, to clarify that the holder's option to unwind a convertible debt instrument in equity within 12 months has no impact on its classification as current or non-current,
  - IAS 7 — Statement of Cash Flows, specifies that only expenses having led to the recognition of an asset in the statement of financial position can be classified as cash flows from investing activities,
  - IAS 17 — Leases, on the classification of land leases,
  - IAS 18 — Revenue, introducing criteria to determine whether the entity is acting as an agent or as a principal in a business transaction,
  - IAS 36 — Impairment of Assets, to clarify that the largest unit for goodwill allocation is the operating segment pursuant to IFRS 8,
  - IAS 39 — Financial Instruments: Recognition and Measurement, to clarify the accounting treatment of agreements for the acquisition or disposal of a business and the event that triggers the subsequent recycling to income in a cash flow hedging relationship;
- IFRIC 18 — Transfers of Assets from Customers;
- IFRIC 17 — Distributions of Non-cash Assets to Owners, this interpretation indicates how to account for dividends paid in kind to all of the entity's shareholders. This has no impact on the Group's financial statements;
- Amendment to IAS 39 — Eligible Hedged Items;
- IFRIC 15 — Agreements for the Construction of Real Estate;
- IFRS 3R — Business Combinations;
- IAS 27 (amended) — Consolidated and Separate Financial Statements

  The prospective application of these amendments had no impact on the recognition of business combinations and the changes in ownership interests prior to 1 January 2010 which were recognised in accordance with the accounting methods defined by IFRS 3 and IAS 27 as set out in Notes 3.3.8 *et seq.;*
- IFRIC 16 — Hedges of a Net Investment in a Foreign Operation;
- IFRIC 12 — Service Concession Arrangements.

The adoption of these standards and interpretations has had no impact on the Company's financial statements.

The Group has not early adopted the following standards and interpretations adopted by the European Union, but not mandatory at 1 January 2010:

- IFRIC 19 — Extinguishing Financial Liabilities with Equity Instruments;
- Amendments to IFRIC 14 — Pre-payments of a Minimum Funding Requirement;
- IAS 24 — Related Party Disclosures (as revised in 2009);
- Amendment to IAS 32: Classification of Rights Issues.

In addition, the Group has not applied the following standards and amendments, which the European Union had not adopted at 31 December 2010:

- Amendment to IFRS 7 — Transfer of Financial Assets;
- IFRS 9 — Financial Instruments;
- Improvements to IFRSs 2010 — May 2010;
- Amendment to IAS 12 — Recovery of Underlying Assets.

The Group is reviewing all these standards and interpretations in order to measure their potential impact on the results, financial position and consolidated cash flow, and to assess the impact on disclosures. At this stage, the Group does not anticipate a material impact on the consolidated financial statements.

3.2 Significant judgments and estimates

The preparation of consolidated financial statements requires the Group to use judgments and make estimates that can affect the carrying amount of certain assets and liabilities, income and expense items, and disclosures in the accompanying notes.

The key assumptions relating to future events and other sources of uncertainty connected to the use of estimates on the reporting date, for which changes during a financial year could involve a significant risk of material change in the carrying amount of assets and liabilities, are shown hereinafter.

3.2.1 Impairment of non-financial assets

At the end of each reporting period, the Group assesses whether there is any indication that a non-financial asset might be impaired. Goodwill and other intangible assets with indefinite useful lives are subject to an impairment test at least once a year and whenever there is an indication of impairment. Other non-financial assets are subject to an impairment test when indications show that there is a possibility that the carrying amount of the asset exceeds its recoverable amount.

Provisions for impairment were calculated on the basis of discounted cash flows taking into account the components of the debt restructuring plan.

The impairment test performed on goodwill and the AD brand resulted in recording an impairment of €368.5 million and €150.4 million, respectively, in 2008. In 2009 and 2010, the impairment test did not result in the recognition of additional impairment or the reversal of previously recognised impairment (reversals of goodwill impairment are prohibited).

Impairment tests on goodwill are based on the medium-term plan discount rate and EBITDA. The assumptions used then undergo a sensitivity test to assess the variability of the result following the amendment of one of the variables.

The AD brand is part of the France CGU and the assessment of the valuation of the AD brand therefore partially depends on the France CGU.

At 31 December 2010, consolidated net assets amounted to €194.9 million and the valuation of the France CGU based on the Group's business plan amounted to €271.8 million. This value is compared to €177.8 million for all the consolidated net assets (excluding brands). However, the value of the France CGU is highly sensitive to the achievement of the business plan which is likely to have implicit consequences on the brand's maximum value. For example, 86% achievement of EBITDA targets would bring the brand's value close to its carrying amount in the financial statements for the year ended 31 December 2010. In this context, the provision for the brand was reversed in 2010 for an amount of €10.6 million. The assumptions for the valuation of the brand will be reassessed in 2011.

Information relating to the procedures for impairment tests is provided in Note 3.3.8.

3.2.2 Deferred tax assets

Deferred tax assets are recorded in respect of tax losses carryforwards when it is likely that the Group will have future taxable profits against which said unused tax losses can be charged. The calculation of the amount of deferred tax assets that can be recognised requires management to estimate how long it will take to use up the losses carried over and the level of future taxable profits, with regard to tax management strategies.

At 31 December 2010, the Group did not recognise any deferred tax assets on tax losses carryforwards. Further details are provided in Notes 3.3.19 and 6.7.

3.2.3 Pensions and other post-employment benefits

The cost of defined benefit plans is calculated on the basis of actuarial valuations. These valuations rely on assumptions as regards discount rates, the projected yield from plan assets, the rate of salary increases, the mortality rate and the rate of pension increases. Owing to the long-term nature of such plans, there is great uncertainty about these estimates. The net liability in respect of these employee benefits at 31 December 2010 stood at €24.7 million. Further details are provided in Note 21. There are no other post-employment benefits.

3.2.4 Inventory impairment

Inventory impairment is calculated by applying an impairment rate for each category of unsold products in accordance with the depletion of items and their last date of sale. Inventory impairment rates are reviewed periodically.

The provision for inventory impairment at 31 December 2010 totalled €18.8 million.

3.3 Summary of the main accounting methods

3.3.1 Principles and scope of consolidation

The consolidated financial statements include the financial statements of Parts Holdings (France) S.A.S. and its subsidiaries at 31 December of each year. The subsidiaries' financial statements are prepared over the same reference period as those of the parent company, applying homogeneous accounting methods.

All intragroup balances and transactions as well as unrealised income, expenses, gains and losses that are included in the carrying amounts of the assets, and which are generated by internal transactions, are eliminated.

Subsidiaries are consolidated as from the acquisition date, which corresponds to the date on which the Group took control of them, and until the date on which it ceases to exercise such control, in accordance with the following methods:

- Full consolidation: the consolidated financial statements include the financial statements of companies directly or indirectly controlled by the parent company or its subsidiaries.
- Equity method: the financial statements of companies over which the Group has significant influence (associates) are accounted for by the equity method.

The Group does not own any jointly controlled companies — or joint ventures — that are consolidated on a proportional basis.

Significant transactions between consolidated companies and unrealised internal profits are eliminated.

Non-controlling interests represent the share of income or loss and of net assets that the Group does not own. In the consolidated income statement and in equity in the consolidated statement of financial position, they are shown separately from the share attributable to owners of the parent.

3.3.2 Foreign currency translation

(a) Translation of foreign companies' financial statements

The consolidated financial statements are presented in euros, which is the parent company's functional currency and the currency in which it presents its accounts.

The financial statements of entities that use a different functional currency from the euro are translated as follows:

- Assets and liabilities are translated at the current exchange rate on the reporting date.
- Income statement and statement of cash flows items are translated at the average exchange rate for the year.

Foreign exchange gains or losses arising from said conversion are allocated directly to a separate line item under equity. On the disposal of a foreign operation, the cumulative amount of deferred foreign exchange gains or losses shown in the separate item of equity and relating to said foreign operation is recognised in the income statement.

In the Group, the only subsidiaries that use a different functional currency than the euro are located in Poland (currency: zloty).

(b) Goodwill arising from foreign acquisitions

Any goodwill arising from the acquisition of a foreign operation and any adjustment of the carrying amount of the assets and liabilities derived from the acquisition of said foreign business to fair value is recorded as an asset or liability of the foreign operation and is therefore translated into euros at the closing rate.

(c) Translation of foreign currency transactions

Foreign currency transactions are initially recorded in the functional currency at the current exchange rate on the transaction date. On the reporting date, the monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the current exchange rate on that date. All differences are recorded in the income statement.

3.3.3 Property, plant and equipment

Items of property, plant and equipment, including land, property and the corresponding fixtures, are carried at cost less accumulated depreciation and impairment losses.

Replacement costs and major inspections are included in the carrying amount of the property, plant and equipment if the accounting criteria are met.

Routine maintenance costs are expensed as incurred.

An item of property, plant and equipment is derecognised when it is disposed of or when no further future economic benefits are expected from its use. Any gain or loss resulting from derecognising an asset (calculated on the basis of the difference between the net proceeds of disposal of said asset and its carrying amount) is recorded in the income statement in the year in which it is derecognised.

Items of property, plant and equipment are depreciated using the straight-line method in accordance with the following periods of use:

Property	25 years
General fixtures and fittings	5 years
Equipment and machinery	10 years
IT equipment	2 years
Transportation equipment	5 years
Furnishings	5 years

The residual values, useful life of the assets and the depreciation methods are reviewed and modified, if necessary, on each annual reporting date.

3.3.4 Intangible assets

Intangible assets acquired separately are valued at their purchase cost.

Intangible assets acquired in connection with a business combination are recorded at fair value on the acquisition date.

After initial recognition, intangible assets are valued at their acquisition cost less accumulated amortisation and impairment.

Costs relating to intangible assets created internally are recorded under assets when the criteria for IAS 38 are met.

The Group decides whether the useful life of an intangible asset is finite or indefinite.

a) Intangible assets with a finite useful life

These fixed assets are amortised in accordance with their economic useful life and are subject to an impairment test whenever there is an indication that the intangible asset is impaired. The amortisation period and method for an intangible asset with a finite useful life are reviewed at least on the reporting date every year. Any change to the projected useful life or projected rate of consumption of the representative future economic benefits of the asset is recorded by changing the amortisation period or method, whichever is appropriate. Such changes are treated as changes in estimates. Amortisation of intangible assets with finite useful lives is recorded in the income statement in the appropriate expense category based on the intangible asset's function.

The Group's intangible assets fall into this category, and comprise, primarily, software licences for Movex accounting software and the current logistics project.

These fixed assets are amortised on a straight-line basis in accordance with the following estimated period of useful life:

Software	5 years

b) Intangible assets with an indefinite useful life

These fixed assets are not amortised but are subject to annual impairment tests, either individually or at the level of the cash-generating unit to which the intangible asset belongs. The useful life of an intangible asset with an indefinite useful life is reviewed annually in order to determine whether the indefinite useful life assessment for said asset is still justified. If not, the change in assessment of the nature of the useful life from indefinite to finite is recorded prospectively.

Gains or losses arising on the derecognition of intangible assets are equal to the difference between the net proceeds from disposal and the carrying amount of the asset. They are recorded in the income statement when the asset is derecognised.

The "Autodistribution" brand, recognised at the time of acquisition, is attached to the cash generating unit consisting of Autodistribution and its subsidiaries.

3.3.5 Leases

Determining whether an arrangement is a lease, or contains a lease, depends on the substance of the agreement on its commencement date. This requires assessing whether performance of the agreement depends on the use of a specific asset or specific assets, and whether the agreement grants a right to use the asset. For agreements entered into before 1 January 2005, the commencement date is deemed to be 1 January 2005, in accordance with the transitional provisions of IFRIC 4.

a) Leases in the Group's financial statements where the Group is lessee

Finance leases that transfer virtually all the risks and rewards incidental to ownership of the leased asset to the Group are recorded in the statement of financial position at the beginning of the term of the lease at the fair value of the leased asset or, if it is lower, at the discounted value of the minimum payments under the lease. Payments in respect of the lease are broken down between the financial expense and the amortisation of the debt so as to obtain a constant periodic interest rate on the remaining balance of the liability. The financial expense are recorded directly in the income statement.

Assets that are subject to a finance lease are amortised over the shorter of the lease term and its useful life, if the Group cannot be reasonably certain that it will become the owner of the asset when the lease expires.

Payments under operating leases are recorded as expenses on a straight-line basis until the lease expires.

At 31 December 2010, the Group has finance leases in the capacity of lessee (see Notes 27.1 and 27.2).

b) Leases in the Group's financial statements where the Group is lessor

Leases under which the Group does not transfer virtually all the risks and rewards incidental to ownership of the asset are classified as operating leases. The initial indirect costs incurred when negotiating the lease are added to the carrying amount of the leased asset and recorded over the term of the lease on the same bases as rental income. Contingent rental income is recorded as income from ordinary activities over the period in which it is acquired.

At 31 December 2010, the Group does not have any finance leases in the capacity of lessor.

3.3.6 Non-current held-for-sale assets and discontinued operations

A non-current asset (or group of assets and associated liabilities) is "held for sale" when its carrying amount will be recovered primarily through sale rather than continued use. In order to fall into this category, the asset (or group of assets) must be available for immediate sale and the sale must be highly probable. This asset or group of assets and associated liabilities is/are presented separately in the statement of financial position when it is/they are significant, without restatement of previous periods. The assets or groups of assets are measured at the lower of their carrying amount and their estimated selling price less costs to sell.

A discontinued operation is defined as a component of an entity that represents a separate major line of business or geographical area of operation for the Group. This component must either be discontinued or classified as held-for-sale assets or it must form part of an overall plan to sell an operation or a significant geographical area for the Group; or, finally, it must be a significant subsidiary acquired solely for the purpose of resale. The components of the income statement and statement of cash flows relating to said discontinued operations are presented separately in the financial statements for all the periods presented if they are significant. The components of the statement of financial position relating to previous years are not presented separately; only the components of the last period shown are classified as assets and liabilities discontinued.

There were no discontinued operations at 31 December 2009 or 31 December 2010 (see Note 5).

3.3.7 Impairment of non-financial assets (excluding goodwill)

At the end of each annual reporting period, the Group assesses whether there is an indication that an asset is impaired. If there is such a presumption, or when an annual impairment test is required for an asset, the Group estimates the recoverable amount of the asset. Intangible assets with an indefinite useful life are tested annually on 31 December, individually or at the level of the cash-generating unit to which they are attached.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. It is determined for each asset separately, unless the asset generates cash flows that are largely dependent on other assets or groups of assets. If the carrying amount of an asset exceeds its recoverable amount, the asset is deemed to have lost some of its value and its carrying amount is reduced to its recoverable amount. Value in use is determined on the basis of projected future cash flows and discounted by applying a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An appropriate valuation model is used to determine the fair value less costs to sell.

Impairment of continuing operations is recorded in the income statement in the appropriate expenses category with regard to the function of the impaired asset.

An assessment is made on each reporting date in order to identify whether a previously identified indication of impairment has disappeared or decreased. In this case, the Group estimates the recoverable amount. An impairment loss previously recorded is also reversed in the event of a change in the estimates made when determining the recoverable amount of the asset.

In this case, the carrying amount of the asset is increased to the level of its recoverable amount. When an impairment loss has been reversed, the carrying amount of an asset must not exceed the carrying amount that would have been determined, less depreciation or amortisation, if no impairment had been recorded for said asset during previous periods. An impairment loss reversal is recorded in the income statement.

3.3.8 Business combinations and goodwill

a) Valuation and allocation of goodwill

As from 1 January 2010, business combinations are recorded in accordance with the revised IFRS 3, by applying the acquisition method. According to said method, the various components of the acquisition are recorded at fair value, subject to exceptions, as follows:

- The consideration transferred is measured at fair value. It includes any contingent consideration clauses that are also measured at fair value on the acquisition date, which takes into account all the probabilities of occurrence. Considerations are classified as debt or equity according to their nature, those classified as debts are then remeasured at fair value and the difference recorded in the income statement.
- The costs directly attributable to the acquisition are recorded as expenses during the period in which they are incurred.

The acquired entity's identifiable assets, liabilities and contingent liabilities that meet IFRS accounting criteria are recorded at the fair value determined on the acquisition date, with the exception of non-current assets classified as held-for-sale assets, which are recorded at fair value less disposal costs.

Goodwill represents any excess in the amount of consideration transferred and, where appropriate, the value of the non-controlling interests over the net fair value of the acquired company's identifiable assets and liabilities.

Adjustments to the value of assets and liabilities relating to acquisitions recorded on a provisional basis are recorded as retrospective adjustments of goodwill if they occur within a period of twelve months of the acquisition date. After said time, the effects are recorded directly in the income statement unless they correspond to corrections of errors.

b) Impairment of goodwill

Goodwill and CGU

Goodwill acquired when businesses are combined is tested as soon as there are indications of impairment and at least once a year in order to determine whether the carrying amount is less than the recoverable amount, i.e., the amount that will be recovered by their use or by selling them.

If the recoverable amount is less than the net carrying amount, an impairment loss is recorded for the difference between both amounts.

For this test, goodwill is grouped with other assets and liabilities in a cash-generating unit or group of CGUs. CGUs are homogeneous groups of assets whose continued use generates cash inflows that are primarily independent from cash inflows generated by other groups of assets.

An analysis of the segmentation of the Group into CGUs resulted in deeming the following as operating CGUs:

- the perimeter consisting of Autodistribution and its subsidiaries, as the purchasing centre's results and cash cannot be separated from the other French operating entities;
- the perimeter consisting of AD Polska and its subsidiaries;
- the perimeter consisting of Parts Holdings Italia and its subsidiary.

Assessment of recoverable amount

The impairment test consists of measuring the recoverable amount and comparing the recoverable amount of the CGU to its carrying amount. The recoverable amount is the net fair value of the disposal costs or value in use, whichever is higher.

The value in use of a CGU is determined by reference to projected discounted future cash flows from said assets, in light of economic assumptions and the Group management's projected operating requirements.

An impairment loss recorded on goodwill cannot be reversed because of an increase in its recoverable amount.

At 31 December 2010, Group management relied on the following assumptions to carry out its impairment tests:

- Future cash flows were estimated based on the 2011 budget, the profit improvement plan for 2012 and 2013 and the business plan drawn up within the framework of the restructuring plan as set out in the recovery plan for subsequent years.
- The terminal value was determined based on the last year of the plan without taking into account growth assumptions.
- A 10% discount rate was used to discount future cash flows and the terminal value.

3.3.9 Financial investments and other financial assets

Depending on the type of instrument, financial assets that fall within the scope of IAS 39 are classified as financial assets at fair value through income, as loans and receivables, as held-to-maturity investments or as financial assets available for sale. On initial recognition, financial assets are measured at fair value plus directly attributable transaction costs (except for the category of financial assets measured at fair value through income).

The Group determines the classification of its financial assets when they are initially recognised in the accounts and, when it is authorised and appropriate, it reviews said classification on each annual reporting date.

a) Financial assets measured at fair value through income statement

The category of financial assets at fair value through income statement includes financial assets acquired with a view to resale in the short term.

Duly designated and effective hedging derivatives do not fall within this category.

At 31 December 2010, investment securities included in cash equivalents fall within this category.

b) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed maturity date that the Group obviously intends to hold and is able to hold to maturity. After initially recording them in the accounts, held-to-maturity investments are valued at amortised cost.

The gains and losses are recorded in the income statement when said investments are derecognised or impaired, using the amortised cost mechanism.

At 31 December 2010, the Group did not own any financial assets recorded in the held-to-maturity investments category.

c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After they have been initially recorded, loans and receivables are valued at amortised cost applying the effective interest rate method less, where appropriate, an amount for impairment. Amortised cost is calculated taking into account any initial premium or discount and includes fees that form an integral part of the effective interest rate method as well as transaction costs.

Gains and losses are recorded in the income statement when the loans and receivables are derecognised or are impaired using the amortised cost mechanism.

d) Available-for-sale financial assets

Available-for-sale financial assets (equity investments not consolidated at 31 December 2010) are non-derivative financial assets that are designated as available for sale or are not classified in any of the preceding three categories.

After initial recognition, available-for-sale financial assets are measured at fair value and any related gains and losses are recorded directly in other comprehensive income in a reserve for net unrealised gains and losses. On disposal of an available-for-sale asset, the accumulated profit or loss previously recorded in equity is recycled in the income statement. The interest received or paid on said investments is recorded in financial income or expenses on the basis of the effective interest rate.

Dividends received on said investments are recorded in the income statement as "Dividends received" when the right to receive such payment is established.

e) Fair value

IFRS 7 — Financial Instruments: Disclosures, amended in 2009, establishes a fair value hierarchy consisting of three levels:

- Level 1: quoted prices for identical instruments (identical to those that are being valued) obtained on the valuation date on an asset market to which the entity has access;
- Level 2: directly observable market inputs other that does not correspond to quoted prices for identical instruments;
- Level 3: inputs not based on observable market data (for example, data derived from extrapolations). This level applies when there is no observable market or data and the entity is obliged to rely on its own assumptions to estimate the data that other market players would have applied to value the asset's other values.

All the fair value measurements are presented in Note 18 of the notes to the consolidated financial statements.

3.3.10 Impairment of financial assets

On each reporting date, the Group assesses whether a financial asset or group of financial assets is impaired.

a) Assets recorded at amortised cost

If there are objective indications of impairment on loans and receivables recorded at amortised cost, the amount of the loss is equal to the difference between the asset's carrying amount and the discounted value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the original effective interest rate (i.e., the effective interest rate calculated on the initial recognition date). The asset's carrying amount is reduced by using an impairment account. The amount of the impairment loss must be recorded in the income statement.

Regarding trade receivables, an impairment loss is recorded when there is an objective indication (such as a probability that the debtor will become bankrupt or is in serious financial difficulties) that the Group will not be able to recover the amount payable under the contractual terms of the invoice. The carrying amount of the trade receivable is reduced using an allowance account. The impaired outstanding amounts are recorded as a loss when they are deemed non-recoverable.

b) Financial assets at fair value through equity

If a financial asset is impaired, the difference between its acquisition cost (less the repayment of the principal and any amortisation) and its current fair value, less any impairment loss previously recorded in the income statement, is transferred from equity to the income statement. Impairment relating to equity instruments cannot be reversed in the income statement. Impairment losses relating to debt instruments are reversed in the income statement if the increase in the instrument's fair value can be objectively related to an event that occurred after the impairment loss had been recorded in the income statement.

3.3.11 Inventories

Inventories consist primarily of goods and are valued at the lower of cost and net realisable value.

Cost is calculated using the method of the last supplier price applicable at 31 December of the current year, taking into account an average stock rotation. The valuation of inventory also takes into account the impact of discounts and allowances, and discounts granted by suppliers, as well as the transportation cost on purchases.

This method of inventory valuation is deemed to be a good approximation of FIFO because of the fast stock rotation.

Net realisable value is the estimated selling price on the reporting date, less estimated selling costs taking into account their technical or commercial obsolescence and the risks relating to slow rotation.

In the case the inventory shown in the statement of financial position of a company included in the scope of consolidation derives from a purchase made from another entity that is a member of the Group, the internal income recorded in the selling company's accounts is neutralized.

3.3.12 Cash and cash equivalents

Cash and cash equivalents recorded in the statement of financial position include cash in the bank and on hand, short term deposits with a term of three months or less and investment securities which meet the criteria of cash equivalent, i.e.:

- short-term investment;
- highly liquid;
- readily convertible into known amounts of cash;
- insignificant risk of changes in value.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include the cash and cash equivalents as defined above, less bank overdrafts.

Investment securities owned by the Group are euro money market funds with a negligible risk of changes in value.

3.3.13 Loans and borrowings

All loans are initially recorded at fair value, less directly related transaction costs.

After initial recognition, interest-bearing loans are valued at amortised cost using the effective interest rate. The issue costs have an impact on the entry value and are spread via the effective interest rate method. The amortised issue costs are presented as a deduction from the debts to which they relate.

The income (loss) is recorded in the income statement when the debts are derecognised and through the amortised cost mechanism.

3.3.14 Derivatives and hedge accounting

At 31 December 2010, the Group hedged its exposure to interest rate fluctuations with a cap (see Note 20.1).

3.3.15 Provisions

a) General information

Provisions are recorded when the Group has a present obligation (legal or constructive) arising from a past event, when it is likely that an outflow of resources embodying economic benefits will be necessary in order to settle the obligation and when the amount of the obligation can be reliably estimated.

When the Group expects partial or total reimbursement of the provision, for example from an insurance policy, the repayment is recorded as a separate asset but only if the repayment is virtually certain. The amount of the expense corresponding to a provision is recorded in the income statement net of any repayments.

If the effect of the time-value of money is significant, provisions are discounted on the basis of a current rate before tax, which reflects, where appropriate, the risks specific to the liability. When the provision is discounted, the increase relating to the passage of time is recorded as a financial expense.

b) Pensions and other post-employment benefits

In addition to basic pension plans, the Group's employees benefit from defined contribution and defined benefit plans:

Basic plans

In France, the Group belongs to basic pension plans for which the expense recorded equals the contributions required by government agencies.

Defined contribution plans

The benefits paid depend solely on the total contributions made and the return on the investment. The Group's liability is limited to contributions paid that are recorded as an expense.

Defined benefit plans

In accordance with French legislation, each employee of the Group receives a retirement severance payment when he retires. This plan is not pre-funded. Independent actuaries calculate the Group's commitment under this plan annually using the projected unit credit method. These calculations include actuarial assumptions concerning mortality, turnover rates and future salary projections.

Probable future benefits are discounted using a discount rate determined with reference to the yield from bonds issued by high-ranking companies. The actuarial gains and losses generated are recognised in accordance with the corridor method. The Group has no multi-employer plans.

3.3.16 Revenue recognition

Revenue is recorded when it is probable that the future economic benefits will flow to the Group and when revenue can be measured reliably. Revenue is measured at fair value of the consideration received or to be received, to the exclusion of discounts and allowances and other taxes on sales and customs duty. The following specific recognition criteria must also be met in order to recognise revenue:

a) Sale of goods

Revenue is recorded when the significant risks and rewards incidental to ownership of the goods are transferred to the buyer, usually on delivery of goods.

b) Rendering of services

Transactions involving the rendering of services are recorded over the period in which the services are provided.

c) Interest income

Revenue is recorded for the amount of interest accrued (using the effective interest rate method, i.e., the rate that accurately discounts future cash flows over the expected life of the financial instrument so as to obtain the carrying amount of the financial asset).

d) Dividends

Revenue is recorded when the shareholders' right to receive payment thereof is established.

3.3.17 Recurring operating income

Recurring operating income comprises revenue, cost of goods for sale, personnel costs, other purchases and external expenses, taxes, other operating income and expenses, and depreciation and amortisation expenses.

It also includes, in particular, the share of expenses for pension obligations relating to the cost of services rendered during the period, the cost of employee profit-sharing plans, foreign exchange gains and losses relating to recurring operating activities, including the effect of hedge accounting on such activities, as well as gains and losses on the disposal of property, plant and equipment and intangible assets in connection with the Group's ordinary activities.

3.3.18 Other operating income and expenses

Other operating income and expenses relates to unusual events with significant amounts effects.

Other operating income can include, in particular, gains on the disposal of operations and gains on the disposal of property, plant and equipment and intangible assets.

Other operating expenses can also include losses on the disposal of operations and losses on the disposal of property, plant and equipment and intangible assets as well as any cost relating to past disposals, the costs of restructuring or closing sites and impairment losses on assets.

3.3.19 Income tax

a) Income tax payable

Income tax assets and liabilities payable in respect of the current year and previous years are valued at the amount expected to be recovered from or paid to the tax authorities. The tax rates and rules applied to determine said amounts are those that were enacted or substantially enacted on the reporting date.

The tax payable in relation to items recorded directly in equity is recorded in equity rather than in the income statement.

The 2010 French Finance Act introduced the Territorial Economic Contribution (*Contribution Economique Territoriale* — CET), one of the components of which is the Company Value-Added Contribution (*Cotisation sur la Value Ajoutée des Entreprises* — CVAE). The Group has analysed the methods for determining said contribution with regard to the provisions adopted by the International Financial Reporting Interpretations Committee (IFRIC) and the French national accounting board (*Conseil National de la Comptabilité* — CNC) and it concluded that, in the particular case, this contribution meets the definition of tax payable according to IAS 12. This contribution has therefore been classified in the "Income tax" line of the financial statements since 1 January 2010.

In accordance with the provisions of IAS 12, the classification of the CVAE as income tax resulted in recognising deferred tax at 31 December 2009 relating to timing differences at this date, with an offsetting entry in the income statement, in accordance with the French Finance Act enacted in 2009. The deferred tax expense of €0.1 million is recorded under "Income tax" for 2009. In addition, as of 2010, the total amount of the current and deferred tax expense relating to the CVAE is presented on the same line.

The deferred tax expense of €0.1 million recorded in 2009 is reversed over a five-year period, which is the estimated period for settling the CVAE bases, in particular the depreciation of property, plant and equipment. Accordingly, an amount of €0.03 million was recognised under deferred tax income in 2010.

b) Deferred tax

Deferred tax is recorded using the liability method for any timing differences on the reporting date between the tax base of the assets and liabilities and their carrying amount in the statement of financial position.

Deferred tax assets are recorded for any deductible timing differences and unused tax losses and tax credits carried forward, to the extent that it is probable that a taxable profit will be available against which said deductible temporary differences and tax losses and tax credits carried forward may be charged.

The carrying amount of the deferred tax assets is reviewed on each reporting date and reduced if it no longer appears probable that a sufficient taxable profit will be available to enable all or some of said deferred tax asset to be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised if it becomes likely that future taxable profit will enable them to be recovered.

Deferred tax assets and liabilities are valued at the tax rate that is expected to be applied for the year in which the asset is realised or the liability settled, on the basis of tax rates (and tax rules) that were enacted or substantially enacted on the reporting date.

Deferred tax relating to items recognised directly in equity is recorded in equity rather than in the income statement.

Deferred tax assets and liabilities are offset if there is an enforceable legal right to offset them and when they relate to the same taxable entity and tax authority. Within the tax consolidation group, deferred tax assets are accordingly offset against deferred tax liabilities.

4 Business combinations and acquisition of non-controlling interests

The scope of consolidation is set out in Note 25 and the amount of goodwill in Note 8.

4.1 Changes in the scope of consolidation in 2010

4.1.1 Acquisitions and newly-consolidated companies

On 1 April 2010, the Group acquired 100% of the shares of Arnaudiès for €2.1 million. This company is located in Pamiers in the French department Ariège and generates annual revenue of approximately €6 million. The cash contributed by Arnaudiès amounted to €0.1 million.

The goodwill in respect of this acquisition amounted to €2.5 million (see Note 8.1).

4.1.2 Incorporation of companies

Neoparts was incorporated in May 2010. It is held at 20% (€0.2 million) by FIA, a Group subsidiary, and is consolidated in the Group's consolidated financial statements using the equity method. It took over the FIA Littoral business, sold by FIA on 1 June 2010.

On 31 December 2010, the Group incorporated Comptoir Technique du Limousin which is wholly owned by AM Développement.

4.1.3 Disposals

Adelta SA was disposed of in June 2010. The company was therefore derecognised at this date with no material impact on the consolidated financial statements.

4.2 Changes in the scope of consolidation in 2009

4.2.1 Acquisitions and newly-consolidated companies

The Group increased its stake in AD Normandie Maine by acquiring 28.48% of its shares for €4.5 million. This transaction led to the recognition of €0.3 million in goodwill (see Note 8.1) and €3.3 million in debt in respect of a put option held by minority shareholders. The stake held in the company is now 79.40%.

In January 2010, the minority shareholders of AD Polska exercised their put option with regard to their shares. The Group therefore increased its stake in its subsidiary AD Polska which is now wholly owned.

4.2.2 Incorporation of companies

No companies were incorporated in 2009.

4.2.3 Disposals

The Group sold its 44% stake in AD Nederland (Netherlands) in December 2009 as well as its 100% stake in Sport 2000 (France) in October 2009.

These companies were therefore deconsolidated from these dates with no material impact on the consolidated financial statements.

5 Discontinued operations

5.1 Discontinued operations at 31 December 2010

The Autodistribution Group decided not to discontinue or dispose of any operations in 2010.

5.2 Discontinued operations at 31 December 2009

The Autodistribution Group decided not to discontinue or dispose of any operations in 2009.

6 Income and expenses

6.1 Revenue

In millions of euros	2010	2009
Sales of goods held for resale	1,045.7	992.9
Rendering of services	45.0	44.8
Revenue	**1,090.7**	**1,037.7**

6.2 Personnel costs

In millions of euros	2010	2009
Wages and social security contributions	(220.5)	(218.9)
Profit-sharing plans	(1.7)	(1.1)
Pension costs (see Note 21.1)	(1.5)	(1.7)
Personnel costs	**(223.7)**	**(221.7)**

The pension costs include the allocation to provisions for retirement benefits for the year as well as the reversal of said provisions as a result of benefits paid during the year (Note 21.1).

The Group's workforce at the year end can be broken down as follows:

Number of employees	2010	2009
Engineers and managerial staff	961	869
Technical and supervisory staff	558	589
Employees	4,820	5,260
Total workforce	**6,339**	**6,718**

6.3 Other operating income and expenses

In millions of euros	2010	2009
Net (allocation to)/reversal of impairment of receivables	1.6	(0.6)
Net (allocation to)/reversal of impairment of inventories(1)	—	0.5
Net (allocation to)/reversal of current provisions for liabilities	0.5	(0.2)
Other	0.2	4.6
Other operating income and expenses	**2.3**	**4.3**

(1) In 2010, changes in impairment of inventories were classified under cost of goods for sale.

6.4 Other income from operations

In millions of euros	2010	2009
Gains on the disposal of property, plant and equipment and intangible assets	3.3	0.4
Inventory margin due to change in inventory impairment method	—	1.7
Gains on scrapped and disposed of inventories at risk(1)	6.5	
Reversal of provision for risk	1.4	6.2
Reversal of impairment on the AD brand	10.6	—
Other income	1.3	—
Other income from operations	**23.1**	**8.3**

(1) Gains on scrapped and disposed of inventories at risk relate mainly to the sale by the Group of the bulk of its inventories at risk to third parties during the period for a non-zero value. The methods for calculating inventory impairment were revised as a result.

6.5 Other expenses from operations

In millions of euros	2010	2009
Disposal of property, plant and equipment and intangible assets	(6.0)	(0.2)
Impairment on the AD brand	—	—
Goodwill impairment loss (Note 8.2)	(12.8)	—
Allocation to provisions and expenses for restructuring, and employee and tax disputes	(6.3)	(4.0)
Other expenses	(3.9)	(33.1)
Other expenses from operations	**(29.0)**	**(37.3)**

Other expenses from operations in 2009 mainly included changes to the method for calculating provisions for inventory impairment for an amount of €29.3 million.

6.6 Financial income and expenses

In millions of euros	2010	2009
Borrowing costs		
Cost of external loans	(7.7)	(29.8)
Amortisation of issuance costs	—	—
Cost of other loans	—	(0.1)
Income from cash investments	0.2	0.2
Accretion expense on borrowings and debt at fair value	(3.7)	(2.7)
Debt restructuring costs — consequences of the 21 April 2009 transactions(1)	—	485.9
Total	**(11.2)**	**453.5**
Other financial income and expenses		
Gains (losses) on the disposal of financial assets	0.4	(1.0)
Other financial income (expenses)	0.3	0
Total	**0.7**	**(1.0)**

(1) This amount includes a €504.9 million debt waiver granted by the banks and shareholders, €10.3 million in fees incurred during negotiations and €8.7 million in amortisation of capitalised borrowing costs associated with the previous loan.

6.7 Income tax

The Group opted for tax consolidation in France.

This option concerns all the Group's French companies with the exception of non-material subsidiaries.

6.7.1 Tax expense

The tax expense for the reference years is as follows:

In millions of euros	2010	2009
Current tax expense	(0.1)	(1.8)
Deferred tax income (expense)	1.6	(3.8)
Reversal of provision for tax	—	0.4
Company Value-Added Contribution (CVAE)	(3.5)	
Income tax	**(2.0)**	**(5.2)**

6.7.2 Nature of deferred tax

In millions of euros	2010	2009
Deferred tax assets	7.5	2.3
Deferred tax liabilities	(5.7)	(2.3)
Net deferred tax asset	**1.8**	**—**

The tax losses carryforward of the tax consolidation group will not be used within the next five years and, therefore, no deferred tax was recorded in this respect.

6.7.3 Tax proof

Reconciliation between the effective tax expense and the theoretical tax charge based on the tax rate applicable in France is as follows for the years cited:

In millions of euros	2010	2009
Income (loss) before tax	**(9.2)**	**423.8**
Net income (loss) from discontinued operations IFRS 5 (Note 5.2)	—	—
Goodwill impairment loss (Note 6.5)	—	—
Net financial income from refinancing with an impact on untaxed income (loss)	—	502.8
Total net income (loss) used as the basis for calculating taxes	(9.2)	(79.0)
Theoretical tax: tax rate	33.33%	33.33%
Theoretical tax income (expense)	3.1	26.3
Unrecognised tax losses	(7.1)	(28.0)
Company Value-Added Contribution (CVAE)	(3.5)	—
Other items with a tax impact (in particular permanent differences)	5.5	(3.5)
Tax income (expense) recorded in the consolidated income statement	**(2.0)**	**(5.2)**

7 Dividends paid and proposed

In millions of euros	2010	2009
Dividends approved during the year	—	—

8 Goodwill

8.1 Analysis of changes in gross value and goodwill impairment

In millions of euros	Gross value	Impairment	Net value
At 31 December 2008	**378.8**	**(366.4)**	**12.4**
• business combinations	—	—	—
• acquisition of non-controlling interests	0.9	—	0.9
• business acquisitions/disposals	(0.6)	—	(0.6)
• impairment for the period	—	—	—
• foreign exchange gains (losses)	0.3	(0.2)	0.1
At 31 December 2009	**379.4**	**(366.6)**	**12.8**
• business combinations (including business assets)	2.5	—	2.5
• disposals	—	—	—
• impairment for the period	—	(12.8)	(12.8)
• foreign exchange gains (losses)	0.8	(0.4)	0.4
At 31 December 2010	**382.7**	**(379.8)**	**2.9**

Changes in goodwill in 2010

- The acquisition of Arnaudiès generated goodwill of €2.5 million.
- The goodwill of AD Polska was written down by €12.8 million (Note 8.2).

Changes in goodwill in 2009

- The €0.6 million classified under "business acquisitions/disposals" reflects the disposal of Sport 2000.
- The purchase of shares from the non-controlling shareholders of AD Normandie Maine generated goodwill of €0.3 million.
- The Paca VI put option generated goodwill of €0.2 million.
- The purchase of shares from the non-controlling shareholders of AD Polska generated goodwill of €0.4 million, excluding conversion differences.

8.2 Impairment tests

In accordance with the method set out in Note 3.3.7, the impairment tests on goodwill did not result in the recognition of additional impairment in 2009.

The test on the platform consisting of AD Polska and its subsidiaries resulted in goodwill impairment of €12.8 million in 2010.

9 Intangible assets

In the table below, impairment relates to the AD brand. Other intangible assets are amortised but were not subject to any additional impairment.

In millions of euros	Software and licences	AD brand	Other	Total
Gross value				
At 31 December 2008	**33.8**	**156.9**	**1.1**	**191.8**
• acquisitions (Note 10.2)	5.8	—	0.2	6.0
• reclassification	(0.1)	—	—	(0.1)
• disposals	0.1	—	—	0.1
• business combinations	—	—	—	—
• foreign exchange gains (losses)	—	—	—	—
At 31 December 2009	**39.6**	**156.9**	**1.3**	**197.8**
• acquisitions (Note 10.2)	5.3	—	0.1	5.4
• reclassification	1.1	—	(0.7)	0.4
• disposals	(0.2)	—	—	(0.2)
• business combinations	—	—	—	—
• foreign exchange gains (losses)	—	—	—	—
At 31 December 2010	**45.8**	**156.9**	**0.7**	**203.4**
Amortisation/impairment				
At 31 December 2008	**25.0**	**150.4**	**0.8**	**176.2**
• additions (Note 10.1)	5.7	—	0.2	5.9
• reclassification	—	—	(0.1)	(0.1)
• reversals	(0.3)	—	—	(0.3)
• business combinations	—	—	—	—
• foreign exchange gains (losses)	—	—	—	—
At 31 December 2009	**30.4**	**150.4**	**0.9**	**181.7**
• additions (Note 10.1)	6.9	—	0.1	7.0
• reclassification	1.0	—	(0.7)	0.3
• reversals	(0.2)	(10.6)	—	(10.8)
• business combinations	—	—	—	—
• foreign exchange gains (losses)	—	—	—	—
At 31 December 2010	**38.1**	**139.8**	**0.3**	**178.2**
Net value				
At 31 December 2009	9.2	6.5	0.4	16.1
At 31 December 2010	**7.7**	**17.1**	**0.4**	**25.2**

10 Property, plant and equipment

In the table below, additions correspond to depreciation. Items of property, plant and equipment were not subject to any additional impairment.

In millions of euros	Land	Property and fixtures	Technical fittings	Vehicles	IT equipment	Furnishings	Assets under construction	Total
Gross value								
At 31 December 2008	**3.7**	**82.5**	**40.4**	**12.9**	**18.2**	**4.7**	**0.6**	**163.0**
• acquisitions (Note 10.2)	0.2	3.5	2.6	2.1	1.8	0.2	0.6	11.0
• reclassification	(0.3)	0.8	(1.4)	(0.6)	0.1	0.2	(0.2)	(1.4)
• disposals	(0.8)	(8.0)	(1.8)	(1.6)	(0.4)	(0.2)	(0.4)	(13.2)
• business combinations	—	(0.6)	(0.1)	—	—	—	—	(0.7)
• foreign exchange gains (losses)	—	(0.3)	—	0.1	—	—	—	(0.2)
At 31 December 2009	**2.8**	**77.9**	**39.7**	**12.9**	**19.7**	**4.9**	**0.6**	**158.5**
• acquisitions (Note 10.2)	—	3.2	1.3	1.5	1.5	0.1	1.1	8.7
• reclassification	—	0.8	(0.3)	—	0.1	(0.4)	(0.4)	(0.2)
• disposals	(0.4)	(8.9)	(3.3)	(2.2)	(1.4)	(0.3)	—	(16.5)
• business combinations	—	0.1	0.1	—	—	—	—	0.2
• foreign exchange gains (losses)	—	0.2	0.1	0.1	0.1	—	—	0.5
At 31 December 2010	**2.4**	**73.3**	**37.6**	**12.3**	**20.0**	**4.3**	**1.3**	**151.2**
Depreciation/ impairment								
At 31 December 2008	**0.6**	**41.3**	**30.7**	**9.2**	**13.7**	**3.4**	**—**	**98.9**
• additions (Note 10.1)	—	5.2	3.0	2.6	3.1	0.4	—	14.3
• reclassification	—	—	(1.1)	(0.5)	—	—	—	(1.6)
• reversals	—	(2.3)	(1.6)	(1.5)	(0.5)	(0.2)	—	(6.1)
• business combinations	—	(0.4)	—	—	—	—	—	(0.4)
• foreign exchange gains (losses)	—	—	—	—	—	—	—	—
At 31 December 2009	**0.6**	**43.8**	**31.0**	**9.8**	**16.3**	**3.6**	**—**	**105.1**
• additions (Note 10.1)	—	5.5	2.3	1.5	2.4	0.3	—	12.0
• reclassification	—	1.2	(0.3)	—	(0.9)	—	—	—
• reversals	(0.1)	(3.9)	(2.7)	(2.0)	(1.3)	(0.5)	—	(10.5)
• business combinations	—	0.1	0.1	—	—	—	—	0.2
• foreign exchange gains (losses)	—	0.1	0.1	—	—	—	—	0.2
At 31 December 2010	**0.5**	**46.8**	**30.5**	**9.3**	**16.5**	**3.4**	**—**	**107.0**
Net value								
At 31 December 2009	2.2	34.1	8.7	3.1	3.4	1.3	0.6	53.4
At 31 December 2010	**1.9**	**26.5**	**7.1**	**3.0**	**3.5**	**0.9**	**1.3**	**44.2**

10.1 Reconciliation of depreciation/amortisation expense recorded in the income statement

	2010	2009
• intangible assets (Note 9)	7.1	5.9
• impairment on the AD brand (Note 9)	—	—
• property, plant and equipment (Note 10)	11.5	14.3
Depreciation/amortisation expense	**18.6**	**20.2**

10.2 Reconciliation of acquisitions of property, plant and equipment and intangible assets presented in the statement of cash flows

	2010	2009
• intangible assets (Note 9)	5.4	6.0
• property, plant and equipment (Note 10)	8.7	11.0
Acquisitions of non-current assets	**14.1**	**17.0**

11 Investments in associates

In millions of euros	Enssemble	AD Nederland	AD International	Total
At 31 December 2008	**2.0**	**2.5**	**0.3**	**4.8**
• net income (loss)	(0.2)	0.8	—	0.6
• dividends paid	—	—	—	—
• other changes	—	(3.3)	—	(3.3)
At 31 December 2009	**1.8**	**—**	**0.3**	**2.1**
• net income (loss)	0.3	—	—	0.3
• dividends paid	—	—	—	—
• other changes	—	—	—	—
At 31 December 2010	**2.1**	**—**	**0.3**	**2.4**

Key indicators at 31 December 2010

In millions of euros	Enssemble	AD International
Non-current assets (net value)	9.0	0.6
Total assets	32.8	10.7
Total current liabilities	22.1	8.3
Total non-current liabilities	(0.1)	—
Total revenue	121.7	—

In 2009, changes in investments in associates reflect the disposal of the interest held in AD Nederland.

The Group's interest in each of the equity-accounted companies cited above is set out in Note 25.

12 Available-for-sale financial assets

The table below summarises the available-for-sale financial assets corresponding to non-consolidated equity investments measured at fair value at 31 December 2010.

Companies (€m)	% interest	Gross value	Impairment	Net value
AD Maroc	8.4%	0.27	0.27	—
SCI Avenir	100%	0.12	—	0.12
SCI Morangis	10.3%	0.06	—	0.06
Other		0.17	0.03	0.14
Total		**0.62**	**0.30**	**0.32**

At 31 December 2009:

Companies (€m)	% interest	Gross value	Impairment	Net value
AD Maroc	9%	0.27	0.27	—
SCI Avenir	100%	0.12	—	0.12
SCI Chilly	9.2%	0.08	—	0.08
SCI Morangis	15.6%	0.06	—	0.06
Other		0.17	0.03	0.14
Total		**0.70**	**0.30**	**0.40**

13 Other non-current Assets

In millions of euros	Receivables from controlled entities	Loans	Guarantees and deposits	Other	Total
Gross value					
At 31 December 2008	**0.3**	**0.6**	**4.4**	**0.3**	**5.6**
• acquisitions	—	—	1.1	—	1.1
• reclassification	—	—	—	0.1	0.1
• disposals	—	(0.1)	(0.1)	—	(0.2)
• business combinations	—	—	—	—	—
• foreign exchange gains (losses)	—	—	—	—	—
At 31 December 2009	**0.3**	**0.5**	**5.4**	**0.4**	**6.6**
Amortisation, depreciation and impairment	—	—	—	—	—
Net value at 31 December 2009	**0.3**	**0.5**	**5.4**	**0.4**	**6.6**

In millions of euros	Receivables from controlled entities	Loans	Guarantees and deposits	Other	Total
Gross value					
At 31 December 2009	**0.3**	**0.5**	**5.4**	**0.4**	**6.6**
• acquisitions	—	0.3	0.3	—	0.6
• reclassification	—	—	—	—	—
• disposals	—	(0.1)	(0.8)	(0.2)	(1.1)
• business combinations	—	—	—	—	—
• foreign exchange gains (losses)	—	—	—	—	—
At 31 December 2010	**0.3**	**0.7**	**4.9**	**0.2**	**6.1**
Amortisation, depreciation and impairment	—	—	—	—	—
Net value at 31 December 2010	**0.3**	**0.7**	**4.9**	**0.2**	**6.1**

Net values correspond to the fair value of other financial assets.

14 Inventories

In millions of euros	31 Dec. 2010	31 Dec. 2009
Gross value	189.4	204.9
Impairment	(18.8)	(41.0)
Net value	**170.6**	**163.9**

Inventory impairment at 31 December 2009 includes changes to the calculation method (see Note 3.2.4).

15 Trade and other receivables

In millions of euros	31 Dec. 2010	31 Dec. 2009
Trade receivables	189.5	184.5
Discounts, rebates and refunds	(14.5)	(11.4)
Impairment	(12.0)	(13.5)
Net value	**163.0**	**159.6**

At 31 December 2010, the analysis of receivables past due but not impaired is summarised as follows:

In millions of euros	Total	Not yet due	Trade receivables past due: Less than 30 days	Between 30 and 60 days	Between 60 and 90 days	Between 90 and 120 days	More than 120 days
Trade receivables	189.5	165.7	6.7	2.5	0.9	0.5	13.2
DRR(*)	(14.5)						
Impairment	(12.0)						
Total	**163.0**						

(*) Discounts, rebates and refunds

At 31 December 2010, impairment relates primarily to trade receivables past due.

At 31 December 2009, the analysis of trade receivables past due but not impaired was:

In millions of euros	Total	Not yet due	Trade receivables past due: Less than 30 days	Between 30 and 60 days	Between 60 and 90 days	Between 90 and 120 days	More than 120 days
Trade receivables	184.5	156.7	8.3	6.4	2.3	1.8	9.0
DRR(*)	(11.4)						
Impairment	(13.5)						
Total	**159.6**						

(*) Discounts, rebates and refunds

Changes in impairment of trade and other receivables can be broken down as follows:

	2010		2009	
	Trade receivables	Other receivables	Trade receivables	Other receivables
Balance at 1 January	**13.5**	**0.1**	**10.3**	**0.1**
Allocation	5.9	0.1	8.7	—
Reversal	(7.5)	(0.1)	(5.6)	—
Newly-consolidated companies	0.1	—	—	—
Reclassifications	—	0.1	0.1	—
Balance at 31 December	**12.0**	**0.2**	**13.5**	**0.1**

16 Cash and cash equivalents

In millions of euros	31 Dec. 2010	31 Dec. 2009
Cash equivalents	66.9	62.0
Cash on hand and at bank	14.5	31.7
Total	**81.4**	**93.7**

Cash equivalents include cash on hand and at bank, short-term deposits with a term of three months or less and investment securities which meet the cash equivalent criteria.

The carrying amount of all these items corresponds to their fair value.

For the purposes of the consolidated statement of cash flows, the heading "Cash and cash equivalents" includes the following items at 31 December:

In millions of euros	31 Dec. 2010	31 Dec. 2009
Cash equivalents	66.9	62.0
Cash on hand and at bank	14.5	31.7
Bank overdrafts (Note 19.2)	(5.8)	(2.8)
Net cash (liability)	**75.6**	**90.9**

17 Issued capital and reserves

Parts Holdings (France) SAS was incorporated on 18 January 2006 via a fully paid-up cash subscription of €37,000. In connection with the acquisition of the Autodis Group, its capital was increased on 1 March 2006 by a cash contribution of €55,900,000 and on 23 June 2006 by inclusion of a shareholder current account of €1,100,000, thereby bringing it to €57,037,000. As a result of refinancing on 21 April 2009, the capital increased to €152,598,261. The company is wholly owned by Parts Holdings Coöperatief U.A.

At 31 December 2010, it consists of 152,598,261 registered shares of €1 each. No preference shares were issued.

There was no change in the number of shares between 2009 and 2010.

18 Presentation of financial assets and liabilities

At 31 December 2010:

In millions of euros	Assets/liabilities at fair value through income	Assets/ liabilities at amortised cost	Available-for-sale assets	Total net book value	Total fair value
Available-for-sale financial assets	—	—	0.3	**0.3**	**0.3**
Other non-current assets	—	6.1	—	**6.1**	**6.1**
Trade receivables	—	163.0	—	**163.0**	**163.0**
Other current assets	—	13.6	—	**13.6**	**13.6**
Cash and cash equivalents	57.8	23.6	—	**81.4**	**81.4**
Derivative financial instruments	—	—	—		
Financial assets	**57.8**	**206.3**	**0.3**	**264.4**	**264.4**
Borrowings and debt (current and non-current)(1)	—	228.6	—	**228.6**	**228.6**
Trade payables	—	152.0	—	**152.0**	**152.0**
Other non-current liabilities	—	2.7	—	**2.7**	**2.7**
Other current liabilities(2)	—	2.5	—	**2.5**	**2.5**
Derivative financial instruments	—	—	—	—	—
Financial liabilities	**—**	**385.8**	**—**	**385.8**	**385.8**

At 31 December 2009:

In millions of euros	Assets/liabilities at fair value through income	Assets/ liabilities at amortised cost	Available-for-sale assets	Total net book value	Total fair value
Available-for-sale financial assets	—	—	0.4	**0.4**	**0.4**
Other non-current assets	—	6.6	—	**6.6**	**6.6**
Trade receivables	—	159.6	—	**159.6**	**159.6**
Other current assets	—	11.4	—	**11.4**	**11.4**
Cash and cash equivalents	54.0	39.7	—	**93.7**	**93.7**
Financial assets	**54.0**	**217.3**	**0.4**	**271.7**	**271.7**
Borrowings and debt (current and non-current)(1)	—	232.3	—	**232.3**	**232.3**
Trade payables	—	147.9	—	**147.9**	**147.9**
Other non-current liabilities	—	2.7	—	**2.7**	**2.7**
Other current liabilities(2)	—	4.5	—	**4.5**	**4.5**
Derivative financial instruments	—	—	—	**—**	**—**
Financial liabilities	**—**	**387.4**	**—**	**387.4**	**387.4**

(1) the fair value of borrowings and debt was measured using observable data (level 2 of the standard).

(2) excluding tax and social security liabilities outside the scope of IAS 39.

19 Borrowings and debt

19.1 Group financing

In 2009, the Group's borrowings and debt was drastically reduced as part of its restructuring plan. In 2010, the Group's financing remained stable and can be broken down as follows:

The Group has four interest-free loans:

Type of borrowings and debt	Nominal value (€m)	Fair value at 31 Dec. 2010 (€m)	Value at amortised cost at 31 Dec. 2010 (€m)	Variable interest rate	Margin on variable interest rate	Maturity	Comments
PH free shareholder loan	50.0	44.9	44.9	—	—	April 2060	Fully underwritten
Sup bonds	25.5	22.9	22.9	—	—	April 2017	Fully underwritten
EP bonds	2.6	2.4	2.4	—	—	April 2017	Fully underwritten
Promissory note	5.0	4.5	4.5	—	—	April 2017	Fully underwritten
Total	83.1	74.7	74.7	—	—		

Other means of financing are listed below:

Type of borrowings and debt	Value (€m)	Interest eligible for capitalisation – April	Variable interest rate(1)	Margin on variable interest rate	Maturity	Comments
PH senior equity loan	32.4	8.0%	—	—	April 2018	Fully underwritten
Refinancing term facility loan	81.1	—	Euribor	2.75%	April 2016	Fully underwritten
Corporate purposes term facility	23.4	—	Euribor	2.75%	April 2016	Fully underwritten

(1) 1, 2, 3, or 6-month Euribor depending on the term of the drawdown period.

19.2 Breakdown of borrowings and debt by type

The fair value of derivatives and borrowings was calculated by discounting expected future cash flows at current interest rates.

In millions of euros	Notes	2010	2009
Non-current			
• Corporate purposes term facility		23.4	23.4
• Loans with credit institutions		—	1.5
• Promissory note		4.5	4.3
• Refinancing term facility loan		81.1	81.1
• PH senior equity loan		32.4	30.0
• PH free shareholder loan		44.9	42.7
• Sup Bonds		22.9	21.8
• EP bonds		2.4	2.3
• Amounts owed under finance leases (more than one year)	(1)	1.6	5.1
• Other borrowings and accrued interest	(2)	2.3	1.7
Sub-total of non-current borrowings and debt		**215.5**	**213.9**
Current			
• Value of put option held by minority shareholders		3.9	3.8
• Amounts owed under finance leases (less than one year)	(1)	3.1	2.9
• Other borrowings (less than one year)	(2)	0.3	0.9
• Dailly/LCL		—	8.0
• Bank overdrafts (Note 16)	(3)	5.8	2.8
Sub-total of current borrowings and debt		**13.1**	**18.4**
Total borrowings and debt		**228.6**	**232.3**

(1) Amounts owed under finance leases are the result of leases and sale and leaseback agreements for financing the purchase of vehicles and certain investments in real estate, IT and furnishings.
(2) Borrowings and debts incurred by some of the Group's subsidiaries
(3) Bank overdraft used by the subsidiaries in Poland and bank account debit balances resulting from standard time lags between recording date for banking purposes and entry dates in the accounts.

19.2.1 Bond issues

The balance of bond issues at 31 December 2010 is broken down below:

Bond issue	Value at issue date (€m)	Liabilities at amortised cost	Fair value at 31 Dec. 2010 (€m)	Including interest eligible for capitalisation	Including accrued interest eligible for capitalisation	Including accrued interest payable
SUP Notes	25.5	22.9	22.9	—	—	—
EP Notes	2.6	2.4	2.4	—	—	—

19.2.2 Bank overdrafts

Interest on bank overdrafts used by the Group and its subsidiaries is charged at market rates.

At 31 December 2010, the Group had available credit lines of €50.1 million as follows:

	Conditions	Drawdowns
Poland — Pekao Bank	PLN 24.5 million (i.e., €6.2 million at 31 Dec. 2010) at 1-month Wibor +1.30%	Partial drawdown of €5.9 million
BNPP — Ancillary facility	€2.9 million at Euribor +2.75%	Not drawn
Factoring Fortis AD	€20.0 million at 1-month Euribor +1.00% (+0.26% service cost)	Not drawn
Factoring Fortis GADSO	€5.0 million at 1-month Euribor +1.00% (+0.20% service cost)	Not drawn
LCL Dailly	€16.0 million at 1-month Euribor +1.50%	Not drawn

19.3 Breakdown of non-current borrowings and debt by maturity

The amounts below include the nominal values of projected repayments plus interest payable.

In millions of euros	Between 1 and 5 years	More than 5 years	Total
• Corporate purposes term facility	8.5	20.3	28.8
• Promissory note		5.0	5.0
• Refinancing term facility loan	29.6	70.3	99.9
• PH senior equity loan		60.0	60.0
• PH free shareholder loan		50.0	50.0
• Sup bonds		25.5	25.5
• EP bonds		2.6	2.6
• Amounts owed under finance leases	1.6		1.6
• Other borrowings and accrued interest	0.5		0.5
Total non-current borrowings and debt	**40.2**	**233.7**	**273.9**

20 Management objectives and policies for financial risks

The Group's main instruments consist of borrowings and bank overdrafts, amounts owed under finance leases, trade payables, lease agreements with a purchase option and loans granted. The key objective of these financial instruments is to finance the Group's operating activities. The Group has other financial assets such as trade receivables, cash and cash equivalents and short-term deposits, which are generated directly by its operations.

The main risks related to the Group's financial instruments are cash flow interest rate risks, foreign exchange risks, counterparty risk and liquidity risk. These policies are summarised below.

Moreover, the Group manages its capital in such a way as to optimise the debt to capital ratios and the financial leverage obtained by debt.

20.1 Interest rate risk

The Group borrows from Citibank at a variable rate and is therefore exposed to an interest rate risk for this portion of the debt.

In January 2010, the Group hedged a portion of its variable-rate debt by purchasing a cap with the following characteristics:

- Underlying = €58.0 million
- Term = 3 years

- Maturity = 31 December 2012
- Capped rate = 3.0%
- Benchmark index = 3-month Euribor
- Revised = quarterly (31 March, 30 June, 30 September, 31 December)

20.2 Foreign exchange risk

The Group is exposed to exchange rate risk for its operations in Poland accounted for in zloty and translated in the consolidated financial statements in accordance with the principles described in Note 3.3.1.

The resulting translation differences are allocated directly to a separate line item under equity and were not material at 31 December 2010. No specific hedges were taken out for this exchange risk.

20.3 Counterparty risk

The Group only has commercial relationships with third parties that are financially healthy. The Group's policy is to verify the financial health of all customers that wish to obtain payment credit terms. Moreover, customer balances are continually monitored and, accordingly, the Group's exposure to bad debt is not material.

Regarding the credit risk relating to the Group's other financial assets, particularly cash and cash equivalents, available-for-sale financial assets and some derivative instruments, the Group's exposure relates to potential defaults by the relevant third parties with a maximum exposure equal to the carrying amount of these instruments.

20.4 Liquidity risk

The Group's objective is to maintain a balance between the continuity and flexibility of financing through the use of bank borrowings, bonds, finance leases and purchases on credit.

The bank borrowings with Citibank and the bonds issued by Autodis are subject to compliance with bank covenants calculated on a quarterly basis. Failure to comply with these covenants may result in early repayment of credit lines (see below).

The financial ratios used in the covenants are calculated on the basis of the Group's consolidated financial statements as follows:

- Net borrowings/proforma EBITDA,
- Cash flow/servicing of the debt.

In connection with the takeover of the Parts Holding (France) Group, the renegotiated bank agreement does not provide for the calculation of any financial ratios before 30 June 2012.

20.5 Capital management

The Group's main objective in terms of its capital management is to ensure that it maintains a good credit risk rating and healthy capital ratios so as to facilitate its operations and maximise value for shareholders.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group can adjust the payment of dividends to shareholders, repay some of the capital or issue new shares.

21 Liabilities relating to employee benefits

The provisions recorded in the statement of financial position relate to post-employment benefits.

21.1 Changes in the provision on the statement of financial position

In millions of euros	31 Dec. 2010	31 Dec. 2009
Obligation at 1 January	**18.0**	**16.7**
Service cost	0.6	1.4
Discounting cost	0.9	0.9
Actuarial gains	(0.2)	(0.8)
Change in scope	(0.4)	—
Curtailments/terminations	—	—
Benefits paid	(0.6)	(0.2)
Obligation at 31 December	**18.3**	**18.0**
Plan assets at 31 December	(0.3)	(0.4)
Unrecognised actuarial differences	6.7	6.9
Provision	**24.7**	**24.5**

The provision recorded in the statement of financial position has changed as follows:

In millions of euros	2010	2009
Provision at 1 January	24.5	22.7
Expense for the year	1.2	1.9
Benefits paid	(0.7)	(0.2)
Changes in scope/curtailments	(0.4)	—
Benefits paid by the fund	0.1	0.1
Provision at 31 December	**24.7**	**24.5**

21.2 Costs of post-employment benefits recorded in income

In millions of euros	2010	2009
Service cost	(0.6)	(1.4)
Discounting cost	(0.9)	(0.9)
Recognised actuarial gain (loss)	0.3	0.4
Curtailments/terminations	—	—
Expense for the year	**(1.2)**	**(1.9)**

21.3 Actuarial assumptions

The basic assumptions made for these calculations (employee turnover rate and salary increase rate) have been determined on the basis of the Group's projected and historical policy. The assumptions made for the valuations of the referenced periods are as follows:

	2010		2009	
	France	Poland	France	Poland
Discount rate	4.50%	5.90%	5.00%	5.70%
Assumption relating to long-term changes in the number of employees				
Employees — supervisors	2.50%/year	3.50%/year	3.00%/year	3.50%/year
Managerial staff	3.50%/year	4.50%/year	4.00%/year	4.50%/year

Mortality rates were defined individually based on prospective tables by generation (TPG-93).

The discount rates applied are obtained by reference to the long-term yield on investment grade bonds.

Employee turnover rates are shown in the table below:

Age	Managerial staff	Supervisory staff and employees
16-24	10%	7%
25-29	7%	5%
30-34	4%	3%
35-39	2%	2%
40-44	1%	1%
45-49	0.5%	0.5%
50 and over	0%	0%

These rates are identical to those used for the previous year.

22 Other non-current liabilities

In millions of euros	31 Dec. 2010	31 Dec. 2009
Employee profit-sharing	0.1	0.1
Guarantees and deposits received	1.6	1.6
Other	1.0	1.0
Total	**2.7**	**2.7**

23 Current provisions

Current provisions have changed as follows:

In millions of euros	31 Dec. 2010	31 Dec. 2009
At 1 January	**12.4**	**16.3**
• allocations	7.3	6.8
• used provisions	(5.2)	(10.2)
• reversals of unused provisions	(1.0)	(0.4)
• reclassifications	(0.2)	(0.1)
• changes in scope	0.5	—
• foreign exchange gains (losses)	—	—
At 31 December	**13.8**	**12.4**

The balance of provisions at 31 December can be broken down as follows:

In millions of euros	2010	2009
Provisions for litigation	3.0	2.9
Provision for tax risks	3.3	0.3
Provision for the risk relating to conditions of sale of AD Rhône	2.7	3.1
Provisions for restructuring	3.5	3.0
Provisions for vendor warranties	—	—
Other provisions	1.3	3.1
At 31 December	**13.8**	**12.4**

In the ordinary course of its operations, the Group may be involved in legal procedures relating to industrial disputes, commercial disputes, etc. In these cases, in conjunction with its legal advisors, the Group analyses the circumstances of the dispute and assesses the probability of an outflow of resources.

24 Trade payables and other current liabilities

In millions of euros	31 Dec. 2010	31 Dec. 2009
Trade payables	**152.0**	**147.9**
Other current liabilities		
Tax and social security liabilities, employees	50.0	48.0
Employee profit-sharing (current)	0.8	1.4
Other payables	0.4	0.6
Prepaid income	2.1	2.5
Sub-total	**53.3**	**52.5**
Total	**205.3**	**200.4**

25 Scope of consolidation

At 31 December 2010, the scope of consolidation was as follows:

	Consolidation method	Country	% interest 2010	% interest 2009
Parts Holdings (France)	Parent	France	100	100
Arnaudiès	Full	France	100	—
Autodis	Full	France	100	100
SDFM	Full	France	100	100
Magenta Autos Pièces	Full	France	99.97	99.97
Autodistribution	Full	France	100	100
AD Grand Ouest (formerly Maine et Loire)	Full	France	100	100
AD Normandie Maine	Full	France	79.40	79.40
ALES PL	Full	France	50.50	50.50
AM Développement	Full	France	100	100
Boury V.I.	Full	France	100	100
Bremstar	Full	France	100	100
Busnengo	Full	France	99.98	99.98
Cofirad	Full	France	100	100
Cofirhad (Formerly AD Isère)	Full	France	100	100
Cogemad	Full	France	100	100
Comptoir du Frein	Full	France	100	100
Comptoir Technique V.I.	Full	France	100	100
Comptoir Technique du Limousin	Full	France	100	—
Cora SAS	Full	France	100	100
Etablissements Rembaud	Full	France	100	100
FIA	Full	France	100	100
Gadca (formerly Dufour)	Full	France	100	100
Gadest (formerly Jullien)	Full	France	100	100
Gadso	Full	France	100	100
Gibelin	Full	France	99.92	99.92
Girde	Full	France	100	99.81
H.I.S.	Full	France	100	100
Immax	Full	France	100	100
Logisteo	Full	France	100	100
Malinge Chevalier (AD 72)	Full	France	79.40	79.40
Max 22	Full	France	100	100
Mexia	Full	France	99.95	99.95
AD Bassin Parisien Nord (formerly Morize)	Full	France	99.99	99.99
Comptoir V.I.	Full	France	50.50	50.50

	Consolidation method	Country	% interest 2010	% interest 2009
PAM	Full	Belgium	100	100
PAO	Full	Belgium	100	100
Poids Lourds Blesois	Full	France	100	100
Sofar	Full	France	75.00	75.00
Sylmart Belgium	Full	Belgium	100	100
Parts Distribuzione Italia	Full	Italy	73.17	60.00
Parts Holdings Italy	Full	Italy	100	100
AD Polska	Full	Poland	100	87.92
Dakol	Full	Poland	100	87.92
Stachura	Full	Poland	100	87.92
Stenmot	Full	Poland	100	87.92
AD International	Equity method	Belgium	17.14	14.28
ENSSEMBLE	Equity method	France	20.00	20.00
Neoparts	Equity method	France	20.00	—

26 Transactions with related parties

Relationship with the shareholder

The sole shareholder of Parts Holdings (France) is Parts Holdings Coöperatief U.A. No significant transactions have been entered into between Parts Holdings (France) and its sole shareholder.

27 Management compensation

The key management personnel of a group within the meaning of IAS 24 are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

The Group's key management personnel are the members of the Executive Committee.

Compensation recorded in PHF expenses for 2010 are set out in the table below.

In millions of euros	31 Dec. 2010
Gross compensation	**3.4**
Of which bonuses	0.5
Social contributions (excl. paid leave and termination benefits)	0.7
Pensions, provision for paid leave and benefits in kind	0.0
Profit-sharing and incentive plans	0.1
Termination benefits	0.1
Net personnel costs	**4.4**

Moreover, no directors' fees have been paid or are due to be paid in respect of 2010.

28 Commitments

28.1 Commitments in respect of operating leases where the Group is the lessee

The Group has entered into operating leases relating primarily to real estate and light and commercial vehicles as well as payment terminals and miscellaneous IT and office equipment.

The minimum future rents payable under the non-cancellable operating leases are as follows at 31 December 2010:

In millions of euros	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Real estate rental	22.6	64.7	14.2	101.5
Vehicle rental	3.3	4.4	—	7.7
Other	4.1	3.3	—	7.4
Total	**30.0**	**72.4**	**14.2**	**116.6**

Rental expenses for 2010 amount to €37.6 million.

28.2 Commitments to finance leases and similar leases

28.2.1 Poland

Commitments for minimum rents payable under finance leases entered into by the AD Polska platform in Poland are as follows:

In millions of euros	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Real estate rental	0.2	—	—	0.2
Vehicle rental	0.1	—	—	0.1
Other	—	—	—	—
Total	**0.3**	**—**	**—**	**0.3**

28.2.2 France

The following tables show the information relating to non-current assets held under finance leases in France.

In millions of euros	Software and licences	Property and fixtures	IT equipment	Furnishings	Total
Gross value					
At 31 December 2009	**7.7**	**1.1**	**10.6**	**0.3**	**19.7**
• acquisitions	—	—	—	—	—
• reclassifications	—	—	—	—	—
At 31 December 2010	**7.7**	**1.1**	**10.6**	**0.3**	**19.7**
Depreciation, amortisation and impairment					
At 31 December 2009	**4.8**	**0.0**	**9.3**	**0.0**	**14.1**
• allocations	1.4	0.2	1.2	0.1	2.9
• reclassifications	0.2	0.7	(1.1)	0.2	0.0
At 31 December 2010	**6.4**	**0.9**	**9.4**	**0.3**	**17.0**
Net value					
At 31 December 2009	2.9	1.1	1.3	0.3	5.6
At 31 December 2010	**1.3**	**0.2**	**1.2**	**0.0**	**2.7**

In millions of euros	2009	New financing	Repayment	2010	Outstanding capital			
					Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Borrowings and debt	**7.0**	—	2.3	4.7	3.1	1.6	—	**4.7**

Financial expenses for 2010 amounted to €0.4 million.

Commitments for minimum future rentals payable under finance leases entered into are as follows:

	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Rentals	3.3	1.7	—	**5.0**

28.3 Guarantees

28.3.1 Guarantees relating to the "Senior Facilities Agreement"

Pledges

The financing framework agreement with Citibank established on 24 February 2006 to which several amendments have been made, the last being in 2009, provides for the pledge of some of the assets of Autodis and its subsidiaries to lenders, detailed as follows:

- Pledge of equity interest:

Pledged securities (In numbers of shares)	**Autodis**	**SDFM**	**Magenta Auto Pièces**	**Autodistribution**
Autodistribution	2,338,781	158,472	149,996	
SDFM	175,297			
Magenta Auto Pièces	8,557			
Cogemad				417,464
FIA				78,985
Gadso				978,604
Cofirhad				195,170
Gadest				2,846,164
AD Grand Ouest				1,815,040
Autodistribution Bassin Parisien Nord				1,339,336

The pledges relate to 100% of the shares owned by the Group.

- Pledge of the business operated by Autodistribution at the Morangis site.
- Pledge of the trademarks owned by Autodistribution:
  - "L'Autodistribution" (term) in France under registration number 1629230,
  - "Autodistribution" (semi-figurative) in France under registration number 1554818,
  - "AD" (term and design) in France under registration number 1629231.

Assignments of receivables

The agreement between Autodis and Citibank to assign trade receivables, signed on 2 March 2006 and amended on 21 April 2009, was signed for a maximum amount of €107.4 million in trade receivables.

At 31 December 2010, no assignment of receivables as security is in progress.

Bank covenants

The bank agreement signed with Citibank and the bonds issued by Autodis are subject to compliance with the bank covenants calculated on a quarterly basis from June 2012 following the takeover of the Parts Holdings Group (France). Failure to comply with said covenants could result in the early repayment of financing lines.

As a result, the Company did not calculate any financial ratios at 31 December 2010 (see Note 20.4).

28.3.2 Other Group guarantees

Bank overdrafts in Poland are secured by pledged inventories for a total amount of €17.4 million.

28.4 Individual training entitlement

The balance of the number of unused hours at 31 December 2010 was 458,414. The number of hours accrued over the year was 98,599 and 8,421 hours were used.

29 Events after the end of the reporting period

No events took place after the end of the reporting period.

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