

# Groupe Bruxelles Lambert société anonyme

## **Statutory auditor's report for the year ended 31 December 2010**

The original text of this report is in Dutch/French

## Groupe Bruxelles Lambert société anonyme

### **Statutory auditor's report for the year ended 31 December 2010 to the shareholders' meeting**

To the shareholders

As required by law and the company's articles of association, we are pleased to report to you on the audit assignment which you have entrusted to us. This report includes our opinion on the financial statements together with the required additional comments and information.

#### **Unqualified audit opinion on the financial statements**

We have audited the financial statements of Groupe Bruxelles Lambert société anonyme for the year ended 31 December 2010, prepared in accordance with the accounting principles applicable in Belgium, which show total assets of 15,186,789 (000) EUR and a profit for the year of 112,669 (000) EUR.

The board of directors of the company is responsible for the preparation of the financial statements. This responsibility includes among other things: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with legal requirements and auditing standards applicable in Belgium, as issued by the "Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren". Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. We have assessed the basis of the accounting policies used, the reasonableness of accounting estimates made by the company and the presentation of the financial statements, taken as a whole. Finally, the board of directors and responsible officers of the company have replied to all our requests for explanations and information. We believe that the audit evidence that we have obtained provides a reasonable basis for our opinion.

In our opinion, the financial statements as of 31 December 2010 give a true and fair view of the company's assets, liabilities, financial position and results in accordance with the accounting principles applicable in Belgium.

## Additional comments and information

The preparation and the assessment of the information that should be included in the directors' report and the company's compliance with the requirements of the Companies Code and its articles of association are the responsibility of the board of directors.

Our responsibility is to include in our report the following additional comments and information which do not change the scope of our audit opinion on the financial statements:

- The directors' report includes the information required by law and is in agreement with the financial statements. However, we are unable to express an opinion on the description of the principal risks and uncertainties confronting the company, or on the status, future evolution, or significant influence of certain factors on its future development. We can, nevertheless, confirm that the information given is not in obvious contradiction with any information obtained in the context of our appointment.
- Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- No transactions have been undertaken or decisions taken in violation of the company's articles of association or the Companies Code such as we would be obliged to report to you. The appropriation of the results proposed to the general meeting is in accordance with the requirements of the law and the company's articles of association.
- Pursuant to Article 523 of the Companies Code, we are required to report on the following operations which have taken place in 2010:
  - At the board of directors' meeting held on 2 March 2010, Mr Albert Frère stated that a conflict of interest of a patrimonial nature existed in his regard within the context of the approval by the board of directors of the variable part of his remuneration. The nomination and remuneration committee proposed and the board of directors decided to set the amount of bonus to 400,000 EUR gross.
  - At the same board of directors' meeting held on 2 March 2010, the board of directors was informed that a conflict of interest of a patrimonial nature existed in regard of Messrs Albert Frère, Gérald Frère and Thierry de Rudder with respect to the approval by the board of directors of the proposition by the nomination and remuneration committee for a new set of stock options awarded to executive management and staff under the incentive program. The board of directors approved the terms of the option plan and proposed to set the maximum amount of underlying shares to be granted in 2010 at 12.5 million EUR. It is therefore requested to the general assembly to set the maximum amount of the underlying ceiling for 2010 at 12.5 million EUR.
  - At the same board of directors' meeting held on 2 March 2010, Mr Ian Gallienne stated that a conflict of interest of a patrimonial nature existed in his regard within the context of the approval by the board of directors of his remuneration. Since Mr Ian Gallienne is a member of the board of directors, his remuneration is a matter for the nomination and remuneration committee. His remuneration comprises two parts: an annual cash remuneration that includes an annual bonus and long-term profit-sharing scheme in the form of a "carry" in the Ergon Capital Partners and Ergon Capital Partners II funds, to which the Ergon Capital Partners III fund will soon be added. The nomination and remuneration committee proposed, for the cash remuneration, to maintain the fixed portion at its current level and to increase the bonus from 80% to 85% thereof. Furthermore, the nomination and remuneration committee believes that the "carry" in the Ergon Capital Partners III fund that is allocated to Ian Gallienne is a normal remuneration in the private equity market. The board of directors approved the proposal on the remuneration of Ian Gallienne in Ergon.



- At the board of directors' meeting held on 5 November 2010, Messrs Albert Frère, Gérald Frère, Thierry de Rudder and Ian Gallienne stated that a conflict of interest of a patrimonial nature existed in their regard within the context of the approval by the board of directors of the compensation of executive directors. The board approved the following proposals:

**Remuneration of the CEO Mr Albert Frère**

The board determines the gross remuneration at 2.9 million EUR for the CEO with effect from 1 January 2010, thus maintaining his cash compensation at the same level as the previous year.

**Compensation of Messrs Gérald Frère and Thierry de Rudder**

The compensation of Messrs Gérald Frère and Thierry de Rudder was set in 2006 for a period of four years. It had therefore to be adapted to the market conditions for the period 2010-2012. The board approved the proposal of the nomination and remuneration committee, to increase the net remuneration of Gérald Frère and Thierry de Rudder by 10% as from 2010.

The board also approved changes to the pension plan of Messrs Gérald Frère and Thierry de Rudder, as proposed by the nomination and remuneration committee. A pension supplement will be granted to reward activity beyond eighteen years. Moreover, Messrs Gérald Frère and Thierry de Rudder agreed not to exercise their option of collecting their pension in the form of an indexed annuity but opted instead for collecting it in the form of capital. The individual reserves made for them in the pension fund will eventually be sufficient to cover commitments in light of these developments and no additional dotation is anticipated.

**Remuneration of Mr Ian Gallienne**

The remuneration of Mr Ian Gallienne is adapted in line with the policy applicable to the executives of GBL. His bonus is capped at 85% and incorporated into a single cash remuneration that is set for the three year period 2010-2012.

In addition, his "carry" in the Ergon Capital Partners III fund increased slightly due to its distribution among a smaller number of beneficiaries. The board of directors approved these proposals.

Diegem, 3 March 2011

**The statutory auditor**



**DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises**  
BV o.v.v.e. CVBA / SC s.f.d. SCRL  
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