

Brakes Group and its Consolidated Subsidiaries
Reconciliation of EBITDA and Adjusted EBITDA

(In Millions)

The Brakes Group reports its results using International Financial Reporting Standards (IFRS). In measuring its results, it uses both EBITDA and Adjusted EBITDA as profitability measures. EBITDA is defined as earnings before noncontrolling interests, taxes, interest, and depreciation and amortization. Adjusted EBITDA also excludes expenses referred to as Exceptional Items and includes pro forma adjustments for two recent acquisitions by annualizing the impact as if these operations had been a part of The Brakes Group's results for a full fiscal year. These are further expressed in terms of margin including EBITDA divided by sales and Adjusted EBITDA divided by sales. In calculating Adjusted EBITDA, management believes that removing these Exceptional Items and including pro forma adjustments for acquired operations, provides an important perspective with respect to expected results of The Brakes Group and provides meaningful supplemental information to both management and investors that removes these items which are difficult to predict and are often unanticipated and where historical results are not indicative of potential future performance. An analysis of any financial measure not based in IFRS should be used in conjunction with results presented in accordance with IFRS. In the table that follows, EBITDA and Adjusted EBITDA are reconciled to net loss for each period presented.

	Fiscal 2015	Fiscal 2014	Fiscal Year Change in Sterling	Fiscal Year % Change
Sales	£ 3,325.1	£ 3,084.1	£ 241.0	7.8 %
Net earnings (loss)	£ (177.6)	£ (168.7)	£ (8.9)	5.3 %
Noncontrolling interests	4.9	1.9	3.0	157.9
Interest expense	196.9	192.9	4.0	2.1
Income taxes	(5.0)	(7.2)	2.2	-30.6
Depreciation and amortization	94.1	94.5	(0.4)	-0.4
EBITDA	£ 113.3	£ 113.4	£ (0.1)	-0.1 %
Exceptional Items (1)	57.8	36.7	21.1	57.5
Adjusted EBITDA excluding Exceptional Items	£ 171.1	£ 150.1	£ 21.0	14.0 %
Pro forma adjustments for acquired operations	13.3	31.2	(17.9)	-57.4
Adjusted EBITDA excluding Exceptional Items and including pro forma adjustments for acquired operations	£ 184.4	£ 181.3	£ 3.1	1.7 %
Calculations of margin (percentage of sales):				
EBITDA	3.4%	3.7%		
Adjusted EBITDA excluding Exceptional Items	5.1%	4.9%		
Adjusted EBITDA excluding Exceptional Items and including pro forma adjustments for acquired operations	5.5%	5.9%		

(1) Adjustments for Exceptional Items include such items as Network Transformation Project costs, restructuring charges, non-routine informational technology projects, acquisition costs, business exit costs and other miscellaneous non-operating costs.