

Europcar Groupe SA

Interim condensed consolidated financial statements

**for the three months period ended
March 31, 2016**

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Interim consolidated income statement

<i>In € thousands</i>		First- quarter 2016	First- quarter 2015
	Notes		
Revenue		417,554	413,726
Fleet holding costs	2	(115,450)	(117,551)
Fleet operating, rental and revenue related costs	3	(155,336)	(151,091)
Personnel costs	4	(83,172)	(80,932)
Network and head office overhead costs		(53,458)	(53,258)
Depreciation, amortization and impairment expense	5	(8,207)	(8,017)
Other income		(140)	674
Current operating income		1,791	3,551
Other non-recurring income		9,149	24,600
Other non-recurring expense	6	(4,411)	(57,268)
Operating income		6,529	(29,117)
Gross financing costs		(21,849)	(34,547)
Other financial expenses		(5,865)	(13,530)
Other financial income		413	4,631
Net financing costs	7	(27,301)	(43,446)
Profit/(loss) before tax		(20,772)	(72,563)
Income tax benefit/(expense)	8	3,651	5,044
Associate		(3,016)	(1,937)
Net profit/(loss) for the period		(20,137)	(69,456)
Attributable to:			
Owners of ECG		(19,972)	(69,454)
Non-controlling interests		(165)	(2)
Basic loss per share attributable to owners of ECG (in €)	14	(0,139)	(0.669)
Diluted loss per share attributable to owners of ECG (in €)	14	(0,139)	(0.669)

Interim consolidated statement of comprehensive income

<i>in €</i>	First-quarter 2016			First-quarter 2015		
<i>In € thousands</i>	Before tax	Tax income/ (expense)	After tax	Before tax	Tax income/ (expense)	After tax
Net profit/(loss) for the period	(23,788)	3,651	(20,137)	(74,500)	5,044	(69,456)
Items that will not be reclassified to profit or loss						
Actuarial gains/(losses) on defined benefit pension schemes	(9,144)	3,200	(5,944)	(9,771)	3,645	(6,126)
Items that may be reclassified subsequently to profit or loss						
Foreign currency differences	(12,987)		(12,987)	15,865		15,865
Effective portion of changes in fair value of hedging instruments	(9,462)		(9,462)	588	(20)	568
Net change in fair value of available-for-sale financial assets	(149)		(149)			
Other comprehensive income for the period	(31,742)	3,200	(28,542)	6,682	3,625	10,307
Total comprehensive income/(loss) for the period	(55,530)	6,851	(48,679)	(67,818)	8,669	(59,149)
Attributable to:						
Owners of ECG			(48,477)			(59,147)
Non-controlling interests			(202)			(2)

Interim consolidated statement of financial position

<i>In € thousands</i>		Au 31 Mars 2016	As at Dec. 31, 2015
Assets	Notes		
Goodwill	9	452,782	457,072
Intangible assets		714,200	713,136
Property, plant and equipment		84,306	89,236
Equity-accounted investments		19,019	22,035
Other non-current financial assets	10	54,239	57,062
Deferred tax assets		61,141	55,730
Total non-current assets		1,385,687	1,394,271
Inventories		14,807	15,092
Rental fleet recorded on the balance sheet	11	1,670,642	1,664,930
Rental fleet and related receivables	12	619,283	574,652
Trade and other receivables		349,782	357,200
Current financial assets	10	39,681	37,523
Current tax assets		37,689	33,441
Restricted cash	13	80,834	97,366
Cash and cash equivalents	13	134,329	146,075
Total current assets		2,947,047	2,926,280
Total assets		4,332,734	4,320,551
Equity			
Share capital		143,326	143,155
Share premium		766,578	767,402
Reserves		(92,352)	(74,341)
Retained earnings (losses)		(303,995)	(274,821)
Total equity attributable to the owners of ECG		513,557	561,395
Non-controlling interests		760	962
Total equity	14	514,317	562,356
Liabilities			
Financial liabilities		803,327	801,183
Non-current financial instruments		61,484	52,090
Employee benefit liabilities		128,043	119,295
Non-current provisions	16	24,225	25,168
Deferred tax liabilities		130,153	131,132
Other non-current liabilities		291	306
Total non-current liabilities		1,147,523	1,129,174
Current portion of financial liabilities		1,132,929	1,263,783
Employee benefits		2,944	2,944
Current tax liabilities		26,040	24,511
Rental fleet related payables		834,830	662,722
Trade payables and other liabilities		448,721	424,974
Current provisions	16	225,430	250,087
Total current liabilities		2,670,894	2,629,021
Total liabilities		3,818,417	3,758,195
Total equity and liabilities		4,332,734	4,320,551

Interim consolidated statement of changes in equity

In € thousands	Attributable to owners of ECG							Non-controlling interests	Total equity
	Share capital	Share premium	Hedging reserve	Translation reserve	Treasury Shares	Retained earnings	Total		
Balance at January 1, 2015	446,383	452,978	(36,771)	(41,155)		(664,250)	157,185	950	158,135
Net profit/(loss) for the period						(69,454)	(69,454)	(2)	(69,456)
Other comprehensive income/(loss)			(5,558)	15,865			10,307		10,307
Capital decrease									
Transactions with owners	(336,844)					336,844			
Balance at Mars 31, 2015	109,539	452,978	(42,329)	(25,290)		(396,860)	98,038	948	98,986
Balance at January 1, 2016	143,155	767,402	(45,488)	(28,884)	31	(274,821)	561,395	962	562,356
Net profit/(loss) for the period						(19,972)	(19,972)	(165)	(20,137)
Foreign exchange difference				(12,950)			(12,950)	(37)	(12,987)
Effective portion of changes in fair value of hedging instruments			(9,462)				(9,462)		(9,462)
Actuarial gains/(losses) on defined benefit pension schemes						(5,944)	(5,944)		(5,944)
Other						(149)	(149)		(149)
Other comprehensive income/(loss)			(9,462)	(12,950)		(6,093)	(28,505)	(37)	(28,542)
Capital increase preferred shares	171	(171)							
others						92	92		92
Share based payment						1,225	1,225		1,225
Cancellation of Treasury Shares					(677)		(677)		(677)
Transactions with owners	171	(171)			(677)	1317	640		640
Balance March 31, 2016	143,326	767,231	(54,950)	(41,834)	(646)	(299,420)	513,558	760	514,317

Interim consolidated cash flow statement

<i>In € thousands</i>		First-quarter 2016	Full-year 2015	First-quarter 2015
Profit/(loss) before tax		(20,772)	(6,047)	(72,563)
Reversal of the following items				
Depreciation and impairment charge on property, plant and equipment		3,736	15,277	3,430
Amortization and impairment charge on intangible assets		4,357	17,893	4,530
Impairment charge on goodwill				
Changes in provisions and employee benefits		(22,397)	999	14,079
Recognition of share-based payments		1,225	2,624	
Costs related to the IPO			8,692	
Profit/(loss) on disposal of assets		146	(394)	(16)
<i>Total net interest costs</i>		<i>23,263</i>	<i>127,303</i>	<i>37,008</i>
<i>Redemption premium</i>		<i>1,924</i>	<i>56,010</i>	
<i>Amortization of transaction costs</i>			<i>42,340</i>	<i>4,915</i>
<i>Amortization of bond issue premiums</i>				
<i>Other non-cash items</i>			<i>1,465</i>	<i>3,348</i>
Financing costs		25,192	227,118	45,271
Net cash from operation before changes in working capital		(8,518)	266,162	(5,269)
Changes to the rental fleet recorded on the balance sheet		(46,047)	(232,851)	(123,015)
Changes in fleet working capital		130,219	34,869	244,213
Changes in non-fleet working capital		30,040	(57,243)	1,014
Cash generated from operations		114,212	10,937	122,212
Income taxes received/paid		(1,426)	(39,669)	(5,365)
Net interest paid		(19,604)	(137,334)	(20,266)
Net cash generated from (used by) operating activities		84,664	(166,066)	91,312
Other investments and loans		38		(107)
Acquisition of intangible assets and property, plant and equipment		(6,558)	(29,172)	(8,161)
Proceeds from disposal of intangible assets and property, plant and equipment		592	5,384	2,727
Acquisition/disposal of financial assets		259	(7,563)	
Acquisition of subsidiaries, net of cash acquired			(23,872)	
Net cash used by investing activities		(5,669)	(55,223)	(5,541)
Capital increase (net of related expenses)			448,203	
Issuance of bonds (5)			471,623	
Redemption of bonds (4)			(780,010)	
(Purchases) / Sales of treasury shares net		(677)		
Change in other borrowings		(107,903)	123,310	(73,527)
Payment of transaction costs			(19,820)	
Net cash generated from (used by) financing activities		(108,580)	243,306	(73,527)
Cash and cash equivalent at beginning of period	13	229,368	206,317	206,317
Net increase/(decrease) in cash and cash equivalents after effect of foreign exchange differences		(29,585)	22,018	12,244
Effect of foreign exchange differences		(415)	1,033	2,256
Cash and cash equivalents at end of period		199,368	229,368	220,817

(1) Of which, €1.5 million (€14 million in 2014) of swap fair value adjustments reclassified from other comprehensive income to profit and loss (see Note 30).

(2) Of which, in 2014, the acquisition price net of cash acquired of UbeeGo (€17.3 million) and Europhall (€22.5 million) and the subscription to the capital increase of Car2Go (€5.7 million), and, in 2015, the subscription to the capital increase of Car2Go (€12.5 million), the payment of the balance of the acquisition price of Europhall (€5.4 million), the subscription to the capital increase of UbeeGo (€5 million) and the payment of the acquisition of E-Car Club (€3 million).

General context and basis of preparation of the interim condensed consolidated financial statements

Europcar Groupe SA (“ECG”) was incorporated on March 9, 2006 with an initial share capital of €235,000 and was converted into a French société anonyme (joint-stock corporation) on April 25, 2006. ECG's registered offices are located at 2 rue René Caudron, 78960 Voisins le Bretonneux, France.

The Europcar Group leverages all of its experience in the car rental sector to provide vehicles for short- and medium-term corporate and leisure rentals. Under the Europcar and InterRent trademarks, the Group covers a wide range of markets and customers - both private and business. Its offering ranges from low cost to luxury rentals.

Between 2008 and 2013, the Group also serviced the National and Alamo trademarks in the EMEA region under a license from Enterprise, with National targeting mostly the business segment and Alamo the leisure broker segment. This partnership was terminated in August 2013, although the Group continues to service the National and Alamo brands in the EMEA regions on the basis of a license agreement with Enterprise. This license agreement and the commercial alliance agreement were the subject of an arbitration proceeding which, after a transitional period agreed by the parties, effectively terminated these agreements as of March 2015.

The Company was listed on the regulated market of Euronext Paris on June 26, 2015 (Compartment A; ISIN code: FR0012789949; ticker: EUCAR).

After the refinancing transactions during the IPO and bond issuance in 2015, the remainder of the net IPO proceeds (i.e., €112 million) will be used for the Group's general corporate purposes. Of this amount, up to €80 million is intended for financial investments over the 2015-2017 period.

The Group has recently created a “Lab” by injecting up to €25 million, designed as an incubator of ideas for research into new products and services in mobility solutions. The Lab seeks to support internal projects as well as the acquisition of minority or majority stakes in innovative structures.

The 19th of May 2016, Europcar group has announced the signing of an agreement to acquire Locaraise, the third-largest French franchisee in terms of revenue.

Disputes and proceedings including proceedings with the French anti-trust authorities are described in Note 16 to the interim condensed consolidated financial statements.

Basis of preparation

The interim condensed consolidated financial statements for the three-month period ended March 31, 2016 were prepared in accordance with IAS 34 – Interim Financial Reporting, as adopted by the European Union. They do not contain all of the disclosures required for a complete set of financial statements in accordance with IFRS, and should therefore be read in conjunction with the consolidated financial statements for the year ended December 31, 2015.

They were reviewed by the Audit Committee on May 2, 2016 and authorized for issue by the Management Board of Europcar Group and by the Supervisory Board of Europcar Group on May 31, 2016.

The interim condensed consolidated financial statements are presented in thousands of euros, unless otherwise indicated.

Significant accounting policies

Accounting policies

The accounting policies used to prepare the Group's interim condensed consolidated financial statements are the same as those applied in the preparation of the consolidated financial statements for the year ended December 31, 2015 and set out in the notes thereto, with the exception of the specific disclosures required in interim financial information and in respect of new standards and interpretations, as described hereafter.

The new amendments to the applicable standards for the year 2016 have no significant impact for the Group.

Seasonality of operations

Revenue, recurring operating income and all operating performance indicators are subject to seasonal fluctuations, due mainly to the summer holiday season when activity for the leisure segment surges. The impact of seasonality varies depending on the country in which the Group operates. Accordingly, the interim results for the three months ended March 31, 2016 may not reflect the results that are expected for full-year 2016.

Use of estimates and judgments

The preparation of interim financial information requires management to use judgment in making estimates and applying assumptions that may impact the amounts of certain assets and liabilities and income and expenses recognized in the interim condensed consolidated financial statements, as well as the information disclosed in certain explanatory notes. Actual values recognized in future periods may differ from these estimates due to changes in conditions that affect the underlying assumptions.

For the preparation of these interim condensed consolidated financial statements, the judgments exercised by management in applying the Group's accounting policies and the main estimates were identical to those used to prepare the consolidated financial statements for the year ended December 31, 2015, with the following exceptions:

- the estimate used to recognize the interim tax charge: for interim financial information, the current and deferred tax charge is determined based on the income tax rate expected to apply to full-year taxable income, i.e., by applying the expected average effective tax rate for 2016 to pre-tax income and share in profit of companies accounted for by the equity method for the interim period.
- the French business contribution on added value (CVAE), for which a provision has been set aside for 25% of the estimated annual charge.
- The associates' interim results as of March 31, 2016 have been estimated using historical and forecasted data.

In view of the significant decrease in the yield on AA-rated bonds (1.5% March 31, 2016 versus 2% at December 31, 2015), the Group's main pension obligations (Germany) were remeasured as part of the preparation of the interim condensed consolidated financial statements.

The pension expense for the period amounted to 25% of the estimated expense for 2016 based on the data and assumptions used at December 31, 2015.

With respect to the vehicle rental business, estimates specifically cover:

- the residual value of "at risk" vehicles;
- the value of vehicles purchased with manufacturer or dealer buy-back commitment when badly damaged or stolen;
- the evaluation of the ultimate cost of claims made against the Group for self-funded insured accidents using actuarial techniques generally accepted and used in the insurance industry.

Estimates also cover provisions for disputes and litigation and the measurement of contingent liabilities. The Group sets aside provisions when the related damages can reasonably be estimated at the reporting date. A provision is recognized in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Note 1 - Segment reporting

Europcar operates a car rental activity:

- using its own fleet of vehicles based in nine countries; and
- through a franchisee network present in the countries in which Europcar operates directly ("domestic franchises"), but particularly in other countries ("international franchises").

In total, Europcar is present in more than 140 countries.

The chief operating decision maker within the meaning of IFRS 8 – Operating Segments, is the Management Board. The Group is monitored and managed on a day to day basis using reporting data provided by the individual countries. The Group presents two segments: Europe and Rest of World. The nature of the services provided and the category of customers are identical for these two segments. The distinction between the two segments is mainly based on criteria related to the dynamics of the economic zones, the organization of customers, interdependencies between the countries as regards the management of customer contracts and the fleet, as well as daily operational management.

- Europe: European countries in which the Group operates its fleet directly (Belgium, France, Germany, Italy, Portugal, Spain and the United Kingdom), organized on shared service, customer and distribution criteria, as well as franchised European countries (Austria, Denmark, Finland, Greece, Ireland, Luxembourg, Netherlands, Norway, Sweden, Switzerland and Turkey) which have similar economic characteristics and offer synergies in terms of fleet negotiation and customer management.
- Rest of World: all countries other than those cited above, including Australia and New Zealand, in which the Group operates the fleet directly.

The Management Board members regularly review the operating and financial performance of the segments, which are measured as follows:

- Revenue, which includes vehicle rental income, territorial fees, other commissions related to the Group's trademarks and billed to franchisees, and fuel sales.

- Adjusted corporate EBITDA, defined as recurring operating income before depreciation and amortization, and after deduction of the interest expense on certain borrowings related to rental fleet financing.

Consequently, and as required by IFRS 8, the Group discloses a global reconciliation of its segment reporting information to its IFRS consolidated financial statements.

Segment reporting information

	First-quarter 2016				
	Note	Europe	Rest of World	Eliminations & Holding companies	Segment total
<i>In € thousands</i>					
Segment revenue		376,493	41,631	(570)	417,554
Recurring operating income		(10,829)	9,125	3,496	1,792
Amortization and depreciation expense		2,641	264	5,302	8,207
Net fleet financing expenses		(13,599)	(691)	(425)	(14,715)
Adjusted corporate EBITDA		(21,787)	8,698	8,373	(4,716)
Total assets		1,676,185	95,450	2,561,080	4,332,734
Total liabilities		1,816,675	78,986	1,922,756	3,818,417

Notes to the interim condensed consolidated financial statements

<i>In € thousands</i>	First-quarter 2015				
	Note	Europe	Rest of World	Eliminations & Holding companies	Segment total
Segment revenue		373,968	40,486	(729)	413,726
Recurring operating income		(9,021)	8,279	4,296	3,554
Amortization and depreciation expense		2,706	262	5,049	8,017
Net fleet financing expenses	7	(12,947)	(1,252)	(1,052)	(15,251)
Adjusted corporate EBITDA		(19,262)	7,289	8,293	(3,680)
Total assets		1,832,728	115,999	2,284,857	4,233,584
Total liabilities		1,977,698	106,946	2,050,899	4,135,543

(a) Information about revenue and services

Revenue and services can be analyzed as follows:

<i>In € thousands</i>	First-quarter 2016			
	Europe	Rest of World	Eliminations & Holding companies	Segment total
Vehicle rental income	352,649	36,467	109	389,225
Other revenue associated with car rental	16,620	690	(679)	16,631
Franchising business	7,224	4,474		11,698
Segment revenue	376,493	41,631	(570)	417,554

<i>In € thousands</i>	First-quarter 2015			
	Europe	Rest of World	Eliminations & Holding companies	Segment total
Vehicle rental income	347,601	35,303		382,904
Other revenue associated with car rental	19,197	786	(729)	19,254
Franchising business	7,170	4,397		11,567
Segment revenue	373,968	40,486	(729)	413,726

(b) Customer segment information

<i>In € thousands</i>	First-quarter 2016	First-quarter 2015
Vehicle rental income	389,225	382,904
<i>Breakdown of customers by segment</i>		
Leisure broker	48.7%	45.7%
Business	51.3%	54.3%

Note 2 – Fleet holding costs

<i>In € thousands</i>	First-quarter 2016	First-quarter 2015
Costs related to rental fleet agreements	(97,064)	(98,037)
Purchase and sales related costs	(11,210)	(12,354)
Taxes on vehicles	(7,176)	(7,160)
	(115,450)	(117,551)

Note 3 – Fleet operating, rental and revenue related costs

<i>In € thousands</i>	First-quarter 2016	First-quarter 2015
Fleet operating costs	(49,868)	(50,782)
Revenue-related commissions and fees	(58,133)	(51,873)
<i>Of which, trade receivables allowances and write-offs</i>	(2,351)	(1,984)
Rental related costs	(47,335)	(48,436)
	(155,336)	(151,091)

Note 4 – Personnel costs

<i>In € thousands</i>	First-quarter 2016	First-quarter 2015
Wages and salaries	(62,278)	(59,869)
Social security contributions	(16,100)	(16,084)
Post-employment benefits	(1,596)	(1,744)
Other items	(3,198)	(3,235)
	(83,172)	(80,932)

Note 5 – Amortization, depreciation and impairment expense

<i>In € thousands</i>	First-quarter 2016	First-quarter 2015
Amortization of intangible assets	(4,629)	(4,530)
Depreciation of property, plant and equipment	(3,578)	(3,487)
	(8,207)	(8,017)

Note 6 – Other non-recurring income and expenses

<i>In € thousands</i>	First-quarter 2016	First-quarter 2015
Other non-recurring income ⁽¹⁾	9,149	24,600
Total other non-recurring income	9,149	24,600
Reorganization charges	(696)	(11,212)
<i>O/w: Reorganization – redundancy expenses</i>	(696)	(9,604)
<i>Reorganization – fees</i>		(1,608)
Other non-recurring expense ⁽²⁾	(3,715)	(46,056)
Total other non-recurring expense	(4,411)	(57,268)
Total other non-recurring income and expenses	4,738	(32,668)

⁽¹⁾ Of which €8.9 million reversal of the provision related to a tax dispute (see Note 16).

⁽²⁾ Of which €45 million accrued in 2015 under the financial risk assessed by the Group as part of the proceedings with the Authority Of The French Competition (see Note 16) ..

Note 7 – Net financing costs

<i>In € thousands</i>	First-quarter 2016	First-quarter 2015
Net fleet financing expenses	(14,715)	(15,251)
Net other financing expenses	(7,134)	(19,296)
Gross financing costs	(21,849)	(34,547)
Charges arising on the trading of derivatives		(617)
Amortization of transaction costs	(1,924)	(4,915)
Foreign exchange losses	(944)	(3,637)
Adjustments to the discounting rates applied to provisions and employee benefits	(526)	(504)
Other	(2,471)	(3,857)
Other financial expenses	(5,865)	(13,530)
Foreign exchange gains	413	4,631
Other financial income	413	4,631
Net financing costs	(27,301)	(43,446)

The decrease in financing costs on the period is due to the restructuring of the group's financial debt in 2015

Note 8 – Income tax

The Group recognizes the tax expense for the period based on its best estimate of the expected annual average weighted tax rate for full-year 2016, determined separately for each country.

At Group level, the tax rate for the three-month period ended March 31, 2016 is 6.9% compared to 7.0% for the period ended March 2015

Notes to the interim condensed consolidated financial statements

<i>In € thousands</i>	First-quarter 2016	First-quarter 2015
Current tax	879	(1,294)
Deferred tax	2,772	6,338
Total income tax expense	3,651	5,044

Note 9 – Goodwill

In accordance with IAS 36, the Europcar Group uses internal and external data to assess whether there is any indication that an asset may be impaired.

External data sources essentially consist in reviewing the weighted average cost of capital (WACC).

Internal data sources are based on performance indicators: a material decrease in revenue and/or profitability, or the inability to achieve the budget, are indications of impairment.

After reviewing the general trend in the performance of the countries comprising the cash-generating units, management did not identify any indications of impairment and therefore no impairment tests were carried out on assets at March 31, 2016, including on goodwill and the Europcar trademark.

<i>In € thousands</i>	Gross value	Impairment loss	Carrying amount
Balance at January 1, 2016	648,581	(191,509)	457,072
Acquisitions	230		230
Effect of movements in foreign exchange rates	(6,461)	1,941	(4,520)
Balance at March 31, 2016	642,350	(189,568)	452,782

Note 10 – Financial assets

<i>In € thousands</i>	As at March 31, 2016	As at Dec. 31, 2015
Other non-current financial assets		
Available-for-sale financial assets	55	280
Held-to-maturity investments ⁽¹⁾	48,214	50,838
Deposits and prepayments	5,955	5,928
Other long-term investments	15	15
Total non-current financial assets	54,239	57,061
Current financial assets		
Loans	117	118
Other current financial assets ⁽¹⁾	39,564	37,405
Total current financial assets	39,681	37,523

⁽¹⁾ Including €71.7 million to cover liabilities arising from our captive insurance structure (€72 million at December 31, 2015), mainly consisting of bonds recognized at amortized cost.

Note 11 – Rental fleet recorded on the balance sheet

The rental fleet operated by the Group is acquired and financed in different ways. The table below presents the breakdown between these different methods for the 2016 and 2015 business years:

Type of acquisition and related financing	% of total volume of vehicles purchased	
	March 2016	Dec 2015
Vehicles purchased with manufacturer or dealer buy-back commitment financed on-balance sheet	48%	46%
Vehicles purchased with manufacturer or dealer buy-back commitment and financed through rental agreements qualifying as operating leases	46%	46%
Total fleet purchased with buy-back arrangements	94%	92%
Vehicles purchased without manufacturer or dealer buy-back commitment ("at risk" vehicles)	5%	7%
Vehicles financed through rental agreements qualifying as finance leases	1%	1%
Total purchases of rental fleet	100%	100%

In accordance with accounting standards, the fleet funded by operating leases is not recorded in the balance sheet and liabilities for these contracts are listed in off-balance sheet commitments. The rental fleet recorded in the statement of financial position is broken down as follows:

<i>In € thousands</i>	As at March 31, 2016	As at Dec. 31, 2015
Deferred depreciation expense on vehicles	164,807	258,441
Vehicle buy-back agreement receivables	1,148,117	1,024,072
Fleet purchased with buy-back contracts financed on-balance sheet	1,312,924	1,282,513
Vehicles purchased without manufacturer or dealer buy-back commitment ("at risk" vehicles)	289,600	306,744
Vehicles acquired through rental agreements qualifying as finance leases without buy-back arrangements	68,118	75,043
Total rental fleet recognized in the statement of financial position	1,670,642	1,664,300

The fleet is presented net of depreciation or impairment expense amounting to €3.2 million (December 2015: €4.7 million) in respect of damaged or stolen vehicles.

Note 12 – Receivables and payables related to the rental fleet

<i>In thousands</i>	As at March. 31, 2016	As at Dec. 31, 2015
Fleet receivables	522,328	501,522
VAT receivables	96,955	73,130
Related receivables	619,283	574,652

<i>In thousands</i>	As at March. 31, 2016	As at Dec. 31, 2015
Fleet payables	752,079	567,931
VAT payables	82,751	94,791
Related payables	834,830	662,722

Note 13 – Cash and cash equivalents and restricted cash

<i>In € thousands</i>	As at March. 31, 2016	As at Dec. 31, 2015	As at March. 31, 2015
Cash-in-hand and at bank	134,644	145,803	163,753
Accrued interest	(315)	272	60
Cash and cash equivalents	134,329	146,075	163,813
Restricted cash	80,834	97,366	74,681
Cash and cash equivalents and restricted cash	215,163	243,441	238,494

Cash-in-hand and at bank includes €47.0 million in cash at March 31, 2016 (December 2015: €77.7 million) tied up in Securitifleet companies, excluding the two SFH Holdings dedicated to fleet financing in France, Germany, Italy and Spain. As such, this cash is considered as non-restricted.

Cash and cash equivalents in fleet and captive insurance SPEs are reported as restricted cash. For the definition of restricted cash, please refer to Significant Accounting Policies, section Treasury (ii) December 2015 financial statements.

The following table reconciles cash and cash equivalents in the statement of financial position to cash and cash equivalents in the cash flow statement:

<i>In € thousands</i>	As at March. 31, 2016	As at Dec. 31, 2015	As at March. 31, 2015
Cash and cash equivalents	134,329	146,075	163,813
Restricted cash	80,834	97,366	74,681
Bank overdrafts ⁽¹⁾	(15,794)	(14,073)	(17,677)
Cash and cash equivalents reported in the cash flow statement	199,369	229,368	220,817

⁽¹⁾ Included in current loans and borrowings (see Note 15).

Note 14 – Capital and reserves and earnings per share

(a) Share capital and share premium

The following corporate actions were approved by the Shareholders' Meeting:

Date	Operation	Share capital (in €)	Share premium (in €)	Number of shares	Nominal value (in €)
12/31/2015		143,154,016	767,401,857	143,154,016	1,000
	Capital increase	171,551	(171,551)	171,551	1,000
03/31/2016		143,325,567	767,230,306	143,325,567	1,000

Due to conversion, of 71,203 B preference shares into 242,754 ordinary shares by incorporation of shares premium.

As at March 31, 2016, the breakdown of shareholders in the share capital was as follows:

Shareholders	Number of common shares and voting rights	Number of Class B Preferred Shares	Number of Class C Preferred Shares	Number of Class D Preferred Shares	Total number of shares	Percentage of common shares and voting rights	Percentage of share capital
<i>Eurazeo</i>	60,540,797	–	–	4,041	60,544,838	42.26%	42.24%
<i>ECIP Europcar Sarl</i>	9,036,469	–	–	–	9,036,469	6.31%	6.31%
<i>Executives and employees, and floating</i>	73,663,984	76,231	4,045	–	73,744,260	51.43%	51.45%
Total	143,241,250	76,231	4,045	4,041	143,325,567	100.00%	100.00%

The Group did not distribute any dividends during the 3 month period ended in March 2016.

(b) Treasury shares

Under the liquidity contract entrusted to Rothschild relating to the shares of Europcar Groupe on March 31, 2016 the following resources were listed on the liquidity account:

no Europcar Groupe shares;
€100,000

Europcar has canceled shares in 2016 for 677K.

(c) Loss per share

	March 31, 2016	March 31, 2015
Loss attributable to ordinary shareholders (in €k)	(19,972)	(69,454)
Average number of shares outstanding	143,325,567	103,810,045
Loss per share in €	(0.139)	(0.669)
Diluted loss per share in €	(0.139)	(0.669)

The number of potential dilutive shares is 2,130,147 as of March 2016 and 1,296,651 as of March 2015.

Note 15 – Loans and borrowings

<i>In € thousands</i>	As at March. 31, 2016	As at Dec. 31, 2015
Notes issued	825,000	825,000
Other bank loans	114	152
Transaction costs/Premiums/Discounts	(21,787)	(23,969)
Non-current liabilities	803,327	801,183
Senior Revolving Credit Facility	120,000	81,000
Senior Asset Revolving Facility dedicated to fleet financing	583,601	658,284
Other borrowings dedicated to fleet financing	371,081	383,706
Finance lease liabilities	163	76,041
Bank overdrafts	15,795	14,073
Current bank loans and other borrowings	35,744	47,314
Transaction costs/Premium/Discount – current portion	(8,169)	(7,906)
Accrued interest	14,714	11,271
Current liabilities	1,132,929	1,263,783

Net debt reconciliation:

<i>In € thousands</i>	As at March. 31, 2016	As at Dec. 31, 2015
Non-current loans and borrowings	803,327	801,183
Current loans and borrowings	1,132,929	1,263,783
Held-to-maturity investments	(48,214)	(50,838)
Other current financial assets	(39,564)	(37,405)
Cash and cash equivalents and restricted cash	(215,163)	(243,441)
Net debt on the statement of financial position	1,633,315	1,733,282
Estimated outstanding value of the fleet financed through operating leases ⁽¹⁾	1,388,757	1,323,411
Total net debt	3,022,072	3,056,693

⁽¹⁾ The estimated debt on operating leases represents the carrying amount of the vehicles concerned and is calculated based on the purchase prices and depreciation rates of corresponding vehicles (statistics provided by the manufacturers).

Note 16 – Provisions

<i>In € thousands</i>	Insurance claim provisions	Reconditioning provisions	Other provisions ⁽¹⁾	Total
Balance at January 1, 2015	138,183	31,774	80,554	250,511
Provisions recognized during the period	13,907	10,762	59,991	84,660
Provisions utilized during the period	(16,241)	(14,333)	(3,478)	(34,052)
Provisions reversed during the period	(1,718)	-	(32,381)	(34,099)
Changes in scope of consolidation	-	-	-	-
Transfers	-	-	-	-
Actuarial (gains)/losses	-	-	-	-
Effect of foreign exchange differences	2,585	505	491	3,581
Balance at March 31, 2015	136,716	28,708	105,174	270,598
Non-current	-	-	57,571	57,571
Current	136,716	28,708	47,603	213,027
	136,716	28,708	105,174	270,598
Balance at January 1, 2016	136,230	34,960	104,065	275,255
Provisions recognized during the period	18,611	12,169	3,120	33,900
Provisions utilized during the period	(19,382)	(19,032)	(12,332)	(50,746)
Provisions reversed during the period	(3,959)	-	(1,031)	(4,990)
Changes in scope of consolidation	-	-	-	-
Transfers	-	-	(110)	(110)
Actuarial (gains)/losses	-	-	-	-
Effect of foreign exchange differences	(2,808)	(536)	(310)	(3,654)
Balance at March 31, 2016	128,692	27,561	93,402	249,655
Non-current	-	-	24,225	24,225
Current	128,692	27,561	69,177	225,430
	128,692	27,561	93,402	249,655

The main disputes and proceedings currently in progress or that have evolved during the period are as follows:

Procedure of the French anti-trust authorities

The French Competition Authority (Autorité de la concurrence – ADLC) has initiated a procedure in the vehicle rental sector. On February 17, 2015, the ADLC addressed a statement of objections to Europcar France, as well as to other stakeholders, relating to certain practices that are alleged not to be compliant with French anti-trust regulations.

Europcar France lodged its statement of defense brief on May 20, 2015. The Company strongly contests the complaints and the underlying arguments. Further to which the case-handler is expected to submit a report to the ADLC College during the second half of 2016. Europcar France will then have two months to respond to this report. The ADLC's decision would then be expected to be issued several months later, following a closed hearing before its College.

Any decision imposing a fine may be appealed. This would not in principle suspend the obligation to pay the penalty, unless there is an exceptional procedure to suspend the payment pending appeal. An unfavorable decision could be followed by damages claims brought by third parties.

The Group maintained the provision for €45 million in its first quarter 2016 consolidated financial statements, reflecting the Company's best estimate of the financial risks at this stage of the procedure in the event that the ADLC were to impose a fine, notwithstanding the Group's arguments in defense of its position.

Notes to the interim condensed consolidated financial statements

Tax litigation with the French authorities

A dispute begun in June 2011 between Securitifleet France and French Tax Authority has been suspended during this first 2016 quarter. The company, believing she had wrongly integrated in the base of the business tax value rental of vehicles it leases out, the company submitted a claim to get relief.

As result of administrative procedures, the final decision is in favour of the Europcar Groupe company, which has recovered €9 million.

Note 17 – Other disclosures relating to financial assets and liabilities

The fair values of financial assets and liabilities, together with their carrying amount in the statement of financial position, are as follows:

<i>In € thousands</i>		Carrying amount	Fair value	<i>Fair value through the income statement</i>	<i>Fair value through equity</i>	<i>Financial instruments at amortized cost</i>
Fair value as at March 31, 2016	Notes					
Trade receivables		259,170	259,170			259,170
Deposits and current loans		7,077	7,077			7,077
Vehicle buy-back agreement receivables	11	1,670,042	1,670,042			1,670,042
Fleet receivables	12	522,328	522,328			522,328
Deposits, other receivables and loans		19,396	19,396			19,396
Total of loans and receivables		2,478,013	2,478,013	-	-	2,478,013
Investments in non-consolidated entities		55			55	
Other financial assets	10	87,771				87,771
Restricted cash	13	80,834	80,834	80,834		
Cash and cash equivalents	13	133,639	133,639	133,639		
Derivative assets						
Total financial assets		2,780,302	2,692,476	214,473	55	2,565,774
Notes and borrowings	15	803,327	839,109			839,109
Trade payables		314,981	314,981			314,984
Fleet payables		752,079	752,079			752,079
Bank overdrafts and portion of loans due in less than one year	15	1,132,929	1,132,929			1,132,929
Derivative liabilities		61,484	61,484		61,484	
Total financial liabilities		3,064,803	3,100,585	-	61,484	3,039,101

Over the period, there were no transfers between levels of the fair value hierarchy used in measuring the fair value of financial instruments.

The fair value of financial instruments traded in active markets (such as cash, cash equivalents and securities held for trading and securities available for sale) is based on the market price at the closing date. The market price at the end used to evaluate financial assets held by the Group is the current bid price: level 1 in the fair value hierarchy.

The fair value of financial instruments that are not traded in an active market (eg derivatives traded OTC) is determined using valuation techniques. The Group uses different methods and assumptions based on market conditions observed at each reporting date. Market prices or prices provided by operators for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to calculate the fair value of other financial instruments. The fair value of interest rate swaps is determined using the method of discounted cash flows: Level 2 in the fair value hierarchy ..

Note 18 – Related parties

During the first quarter 2016, Europcar Groupe SA has not any operation with related parties to declare

Note 19 – Subsequent events

There have been no material events subsequent to March 31st, 2016 which would require disclosure in these financial statements.