

Europcar announces resilient 2016 half year results

- Rental revenue increased by 1%, at constant exchange rate despite adverse effects.
- Adjusted Corporate EBITDA at €55 million demonstrating continuing investments notably in InterRent and digital transformation.
- Strong cash generation with corporate free cash flow amounting to €82 million.
- Net Profit at +€3 million versus a loss of €157 million in the 2015 first semester.
- Successful issuance of a €125 million bond issuance to support the active on-going acquisition program.
- Full year 2016 revised guidance in a context of weakened economic and operating environment following notably Brexit and European terrorist attacks.
- A new organization project to accelerate the deployment of its go to market strategy.

Saint-Quentin-en-Yvelines, 25 July, 2016 - Europcar (Euronext Paris: EUCAR) announces today its results for the first half of 2016.

Philippe Germond, Chairman of the Management Board stated "The first semester 2016 confirmed the resilience of our model. On the revenues side, Europcar demonstrated a sound growth at constant exchange rate, despite an adverse environment, notably impacted by European terrorist attacks, social movements in France, weaker trading environment, bad weather conditions in northern European countries, and finally Brexit. In the meantime, Europcar continued to accelerate its development with the successful acquisition of Locaraise and Bluemove. We pursued also the roll out of the InterRent brand and network. On a strategic stand point, the company intends to set up a new organization structured around 5 Business Units, more customer and market centric that will ensure sustainable growth and enable us to seize new business opportunities. In the weak current market conditions, Europcar has decided to issue a new 2016 guidance, presenting a positive evolution in both top line and Adjusted Corporate EBITDA compared to last year. The whole management team is fully confident in the strength and resilience of our business model and our ability to fulfil our ambition to be the preferred partner for every individual mobility need".

In € million, except if mentioned	H1 2016	H1 2015	Change	Change at constant exchange rate
Number of rental days (millions)	26.7	26.0	3,0%	
Average fleet (thousands)	194.7	191.0	+1.9%	
Total revenues	948	961	-1,3%	+0.5%
Rental revenues	883	891	-0,9%	+0,9%
Adjusted Corporate EBITDA	55	60	-9.0%	-7.5%
Adjusted Corporate EBITDA margin	5.8%	6.3%	-0.5pt	
Last Twelve Months Adjusted Corporate EBITDA	245	231	5.9%	
Last Twelve Months Adjusted Corporate EBITDA Margin	11.5%	11.2%	0.3pt	
Operating income	72	19		
Net profit/loss	3	(157)		
Corporate free cash flow	82	24		
Corporate net debt at the end of the period	200			

Revenues

Total revenue amounted to €948 million compared to €961 million in 2015 first semester, representing an increase of +0.5% at constant currency. This increase is mainly driven by a +0.9% growth in rental revenue (€883 million) partly off-set by the decrease of petrol price. Significant headwinds and numerous challenges (bad weather conditions in northern European countries, European terrorist attacks and finally doubts on the way out of the Brexit referendum) combined with a softer commercial momentum explain this performance.

Rental days volume increased by 3% compared to S1 2015, at 26.7 million. The leisure segment showed a positive evolution over S1 on both Europcar® and InterRent® brands, notably in the European Southern countries. Compared to the first semester 2015, the trend was less favourable on the corporate side, notably in the United-Kingdom prior to the Brexit Referendum (especially on the car replacement segments), and to a lesser extent on the Belgium perimeter as consequences of the terrorist attacks.

On a consolidated basis, the RPD decreased by 2% at constant currency impacted by the success of InterRent in a context of a general tough commercial environment for the Group. Europcar brand RPD was slightly down by -0.5%, while the low cost brand InterRent decreased by 1.8% supporting its volume model.

Over the first semester 2016, the Group entered into a new dynamic regarding its customer journey strategy, with the deployment of two structuring programs aimed at creating brand preference and differentiation with:

- A "Customer First Program" which targets to deliver an enhanced experience to each Group customer based on a comprehensive program that will provide a higher level of service.
- Key airport project, the main objectives of which are to substantially improve and differentiate the customer journey at the Group key airport locations. The project includes notably the management of the peak periods and queues, the forecast of the fleet and the staff and the processes to improve the customer service delivery.

The Group also signed partnerships with Air Caraïbes and Gulf Air's FalconFlyer Loyalty Program, allowing the company to develop its customer portfolio while enhancing its brand awareness.

Adjusted Corporate EBITDA

Adjusted Corporate EBITDA reached + €55 million versus + €60 million in S1 2015 reflecting the Group investments strategy to sustain future growth while leveraging on its strong operational excellence. In particular, the Group pursued its fast deployment of InterRent brand and network (opening of the 150th station in June 2016 in Sardinia¹), its investments in its customer journey programs (CRM, airport project...), IT and Europcar Lab's investments. In addition, Europcar has continued to manage its fixed and variable costs basis ahead of the summer season.

Operating income

Operating income came in at €72 million, compared to €19 million in S1 2015.

Last year semester included IPO costs, non-recurring items which were notably the net negative impact of certain proceedings and reorganization charges linked to Fast Lane transformation plan roll out.

Net Profit/Loss

Net profit amounted to €3 million in the first semester of 2016, compared to a loss of €157 million in the first semester of 2015. This improvement reflects the full benefit of the reshape of the capital structure following the IPO (approximately €92 million) at the end of Q2 2015, while last year first semester was also impacted by other non-recurring items (including mainly the net negative impact of certain proceedings (approximately €27 million) and reorganization charges linked to Fast Lane transformation plan roll out (€20 million)).

¹ Including corporate and franchisees countries

- Adjusted Corporate EBITDA⁴ above last year €251million
- Adjusted Corporate EBITDA conversion to Corporate free cash flow above 50%.
- Dividend payout ratio at least 30% of Net Income⁵

In addition, the Group will continue to roll out of its ambitious acquisition plan while managing opportunistic execution of its Share Buy back program.

About Europcar Groupe

Europcar shares (EUCAR) are listed on the Euronext Paris stock exchange. Europcar is the European leader in vehicle rental service and is also a major player in mobility markets. Active in more than 140 countries, Europcar serves customers through an extensive vehicle rental network comprised of its wholly-owned subsidiaries as well as sites operated by franchisees and partners. In addition to the Europcar® brand, the company offers low-cost vehicle rentals under the InterRent® brand. A commitment to customer satisfaction drives the company and its 6,000 people forward and provides the impetus for continuous development of new services. The Europcar Lab was created to respond to tomorrow's mobility challenges through innovation and strategic investments, such as Ubeeqo and E-Car Club.

Forward-looking statements

This press release includes forward-looking statements based on current beliefs and expectations about future events. Such forward looking statements are not guarantees of future performance and the announced objectives are subject to inherent risks, uncertainties and assumptions about Europcar Groupe and its subsidiaries and investments, trends in their business, future capital expenditures and acquisitions, developments in respect of contingent liabilities, changes in economic conditions globally or in Europcar Groupe's principal markets, competitive conditions in the market and regulatory factors. Those events are uncertain; their outcome may differ from current expectations which may in turn affect announced objectives. Actual results may differ materially from those projected or implied in these forward-looking statements. Any forward-looking statement contained in this press release is made as of the date of this press release. Europcar Groupe undertakes no obligation to publicly revise or update any forward-looking statements in light of new information or future events.

The results and the Group's performance may also be affected by various risks and uncertainties identified in the "Risk factors" of the Registration Document registered by the Autorité des marchés financiers (the "AMF") May 20, 2015 under the number I.15-041 and its update filed with the AMF on June 12, 2015 and also available on the Group's website: www.europcar-group.com

**Further details on our website:
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⁴ Based on a 1.20 £/€ exchange rate for H2 2016. The previous guidance provided was based on a 1.42 £/€ exchange rate for the full year 2016

⁵To be paid from 2017 based on 2016

