



# EUROPCAR GROUP

*The leading European car rental company at the heart of new mobility solutions*

## H1 2016 RESULTS

July 25, 2016

***Europcar***  
moving *your* way

# PHILIPPE GERMOND

## Chairman of the Management Board

IMPORTANT NOTICE: based on Financial statements prepared under IFRS  
Investors have to read the important disclaimer at the end of this presentation

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## HIGHLIGHTS

- ✓ **Rental revenue increased by 0.9%** at constant exchange rate despite adverse effects
- ✓ **Adjusted Corporate EBITDA at €55 million** reflecting continuing **strong investment** notably in InterRent and digital transformation
- ✓ Strong cash generation with **Corporate Free Cash Flow at €82 million**
- ✓ Successful issuance of a €125 million TAP to support the **on-going acquisition program**
- ✓ **A new Group organization** to accelerate the deployment of our go to market strategy
- ✓ **Revised guidance** in a context of weakened operating and economic environment following Brexit, European terrorist attacks and softer commercial momentum

# H1 2016 KEY COMMERCIAL INITIATIVES



## New Partnerships



## New communication campaign



- Customer Journey:
- ✓ CRM
- ✓ Airport program



## H1 2016 KEY INVESTMENTS

*Thanks to the robustness of our model and the strong cash generation we have continued to invest for future growth*

- ✓ Ramp up of InterRent Network
- ✓ Customer Journey
- ✓ IT
- ✓ Preparation of summer season

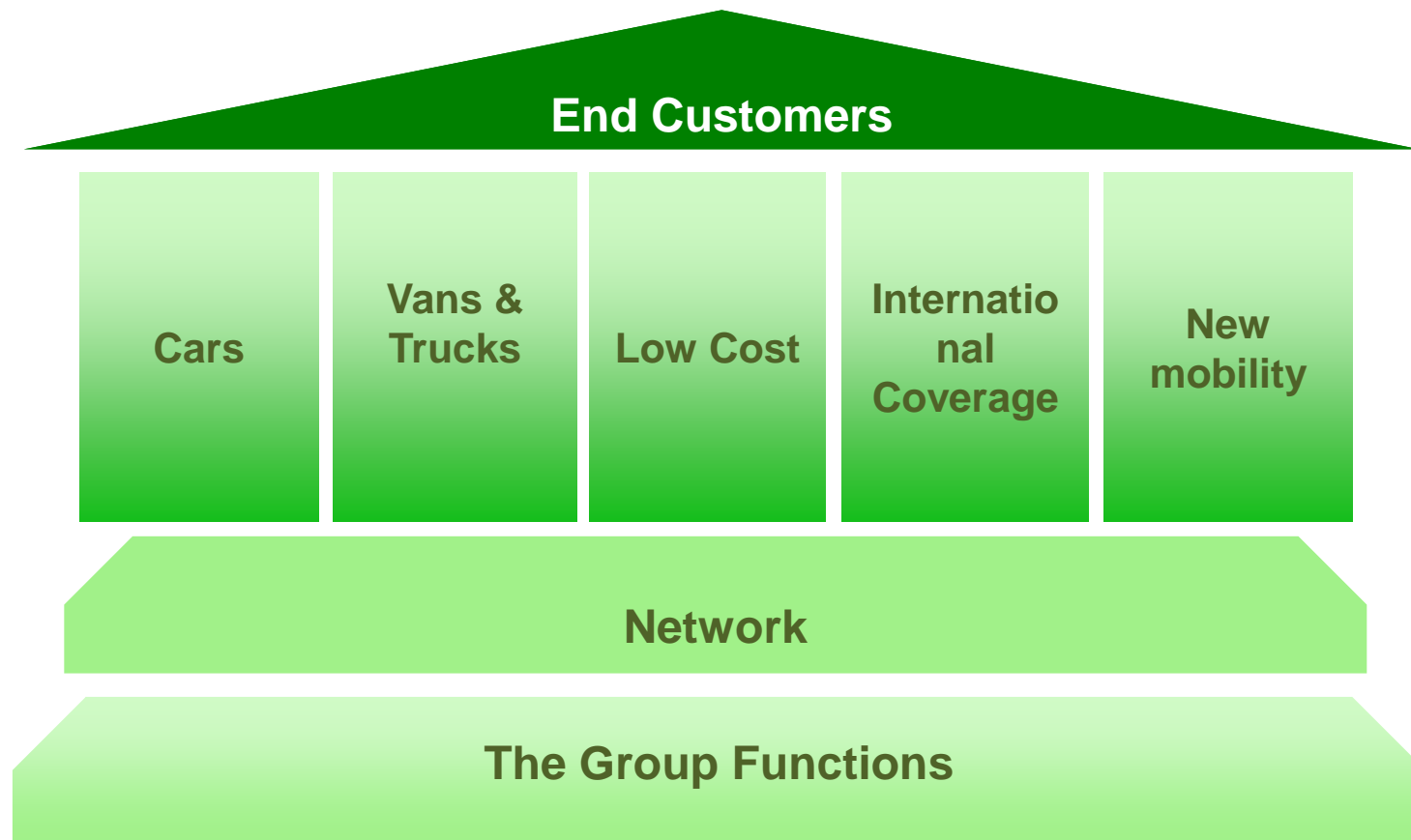
- ✓ Acquisition of Locaraise, # 3 French franchisee\*



- ✓ Ubeeqo BtoC multimodal platform launched in France, UK, Belgium and Germany
- ✓ Acquisition of Bluemove\*, spanish car sharing company, by Ubeeqo
- ✓ Tactical participation in Wanderio\*

\* See Appendix

**A NEW ORGANIZATION\* TO ACCELERATE THE DEPLOYMENT OF  
OUR GO TO MARKET STRATEGY**



\* Project to be implemented after the working council process depending on local legislations.



## REVISED FY 2016 GUIDANCE

*In a context of weakened economic and operating environment following Brexit, European terrorist attacks, and softer commercial momentum,  
the Group is fully leveraging its resilient and low risk business model  
while increasing its focus on go to market and continuing investment for future growth*

**Slight Increase of Revenues on an organic basis \***

**Adjusted Corporate EBITDA above last year €251 M \*\***

**Adjusted Corporate EBITDA Conversion to Corporate Free Cash Flow  
above 50%**

**Dividend pay out ratio at least 30% of Net Income\*\*\***

**Roll out of our ambitious acquisition plan and  
opportunistic execution of our Share Buy back program**

\* At constant currency and perimeter, excluding petrol impact

\*\* 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

\*\*\* To be paid from 2017 based on 2016

# CAROLINE PAROT

## CEO Finances

The Europcar logo is positioned in the bottom right corner of a green gradient background. It features the word "Europcar" in a white, italicized sans-serif font, with a yellow horizontal line underneath. Below this, the tagline "moving your way" is written in a smaller, lowercase sans-serif font, with "your" in yellow and "moving" and "way" in white.

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## SOUND H1 KEY METRICS

All data in €m, except if noted	H1 2016	H1 2015	Change	Change at constant currency*
<b>Revenues**</b>	<b>948</b>	<b>961</b>	<b>-1.3%</b>	<b>0.5%</b>
<b>Rental Revenues</b>	<b>883</b>	<b>891</b>	<b>-0.9%</b>	<b>0.9%</b>
Rental Day Volume (million)	26.7	26.0	3.0%	
Consolidated RPD (€)	33.0	34.3	-3.8%	-2.0%
Average duration (day)	5.7	5.7	0.4%	
Average Fleet (thousand)***	194.7	191.0	1.9%	
Per unit fleet costs per month (€)	-250	-256	-2.4%	-0.6%
Financial utilization rate	75.5%	75.1%	+0.4pt	
<b>Adjusted Corporate EBITDA</b>	<b>55</b>	<b>60</b>	<b>-9.0%</b>	<b>-7.5%</b>
<b>Adjusted Corporate EBITDA Margin</b>	<b>5.8%</b>	<b>6.3%</b>	<b>-0.5pt</b>	
<b>Corporate Free Cash Flow</b>	<b>82</b>	<b>24</b>	<b>238.8%</b>	
<b>Last Twelve Months Adjusted Corporate EBITDA</b>	<b>245</b>	<b>231</b>	<b>5.9%</b>	
<b>LTM Adjusted Corporate EBITDA Margin</b>	<b>11.5%</b>	<b>11.2%</b>	<b>+0.3pt</b>	
Operating Income IFRS	72	19		
<b>Net Income IFRS</b>	<b>3</b>	<b>-157</b>		
Corporate Net Debt at end of the period	200			
Average Total Fleet Net Debt (inc. Operating leases)	2,998	2,869	4.5%	

\* UK pound and Australian dollar

\*\* Total revenues excluding petrol income increase 0.8% at constant currency

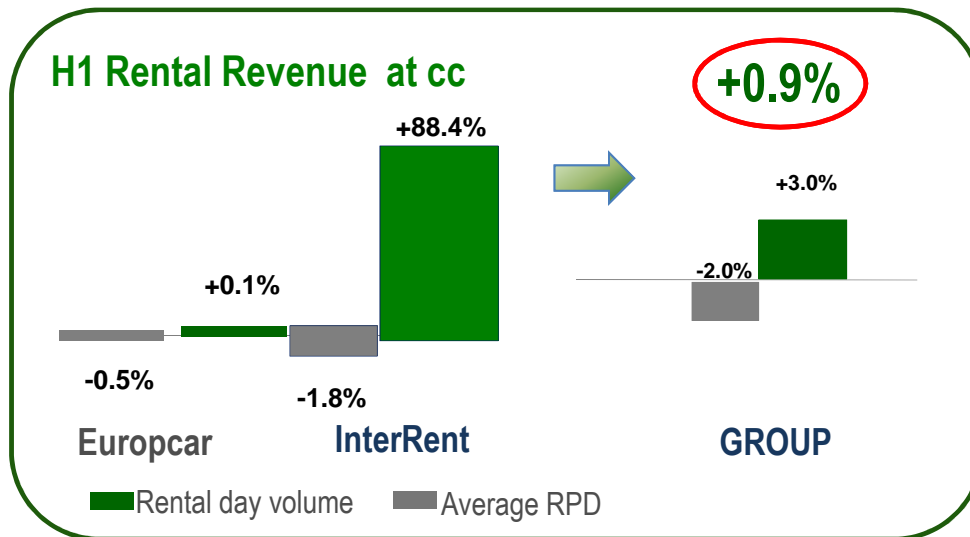
\*\*\* Fleet at end cars & vans 245.8 k as of June 30, 2016 vs. 236.1 k at as of June 30, 2015

# H1 RENTAL REVENUE ORGANIC GROWTH AT 0.9%

All data in €m	H1 2016	H1 2015	Change	Change at constant currency
<b>Rental revenues</b>	<b>882.9</b>	<b>891.1</b>	<b>-0.9%</b>	<b>0.9%</b>
Other revenue associated with car rental	41.6	45.3	-8.2%	-6.2%
Franchising business	23.4	24.1	-2.9%	-2.4%
<b>Revenues</b>	<b>947.9</b>	<b>960.5</b>	<b>-1.3%</b>	<b>0.5%</b>

## Key considerations

- **A long list of adverse effects**
  - Wait and see attitude ahead of Brexit vote
  - Unfavorable weather conditions in Northern Europe
  - European terrorists attacks
  - Strikes in France and Germany
- **Softer commercial momentum for Europcar brand in Northern countries**
- **Southern Europe and InterRent particularly strong over the period**
- **Top line evolution reflecting our permanent strategy to balance between volume / RPD / utilization rate of our fleet particularly in the context of summer season preparation**
- **Other revenue impacted by Petrol income decrease, with limited impact on margins**



## ADJUSTED CORPORATE EBITDA REFLECTING INVESTMENTS FOR FUTURE GROWTH

All data in €m	H1 2016	H1 2015	Change	Change at constant currency
<b>Revenues</b>	<b>947.9</b>	<b>960.5</b>	<b>-1.3%</b>	<b>0.5%</b>
Fleet holding costs excluding estimated interest included in operating leases	-226.1	-229.1	-1.3%	0.5%
Fleet operating, rental, revenues and insurance-related costs	-336.9	-339.5	-0.8%	1.0%
<b>Margin after variable costs</b>	<b>384.9</b>	<b>391.9</b>	<b>-1.8%</b>	<b>-0.1%</b>
<b>Margin Rate after variable costs</b>	<b>40.6%</b>	<b>40.8%</b>	<b>-0.2pt</b>	
Personnel, network, IT and other HQ costs	-278.1	-275.2	1.1%	2.8%
Fleet financing costs	-52.2	-56.5	-7.6%	-6.4%
<b>Adjusted Corporate EBITDA</b>	<b>54.7</b>	<b>60.2</b>	<b>-9.1%</b>	<b>-7.5%</b>
<b>Adjusted Corporate EBITDA Margin</b>	<b>5.8%</b>	<b>6.3%</b>	<b>-0.5pt</b>	

**Investments for summer season and longer term while being very discipline on other costs**

### Key considerations

- **Solid margin after variable cost mainly reflecting:**
  - Fleet costs per unit (holding and operating) continue to decrease
  - Other operating costs benefiting from strong initiatives on insurance
  - **Fleet utilization rate +0.4 pt in H1 and +1pt in Q2**
- **Operational leverage delivering:**
  - Efficiency gains on the network, control of our semi fixed costs based,
  - **Enabling Investments in InterRent deployment, IT and the LAB**
- **Decrease in fleet financing costs** following the refinancing initiatives between July 2014 and June 2015, despite the strong growth in activity

## POSITIVE H1 2016 NET RESULT

All data in €m	H1 2016	H1 2015	Change
<b>Adj. Corporate EBITDA</b>	<b>54.7</b>	<b>60.2</b>	<b>-9.1%</b>
Non-fleet D&A	-15.9	-16.0	-1.1%
Other non-recurring operating income / expenses	3.3	-55.9	
Non-fleet financial expenses	-25.3	-139.3	-81.8%
<b>Profit Before Tax</b>	<b>16.8</b>	<b>-151.0</b>	
Net tax expense	-11.0	-1.7	
Associates	-2.9	-4.1	
<b>Net income</b>	<b>2.8</b>	<b>-156.8</b>	

**Full benefit of the reshape of the capital structure**

### Key considerations

- Non recurring operating income / expenses:
  - In 2016, restructuring charges linked to further headquarters reorganization offset by reimbursement of tax payment related to previous years paid at end of 2015
  - In 2015, net negative impact of certain proceedings and reorganization charges linked to Fast Lane transformation
  - IPO costs
- Non-fleet financial expenses:
  - Benefit of the reshape of the capital structure following the IPO at end Q2 2015
  - In Q2 2015, one off costs linked to IPO and associated refinancing
- Tax:
  - Impact of the seasonality.
  - In 2015 effect of the one off linked to full reshape of the capital structure
- Deployment costs of Ubeeqo and Car2Go Europe (associates)

## MANAGEMENT CASH FLOW

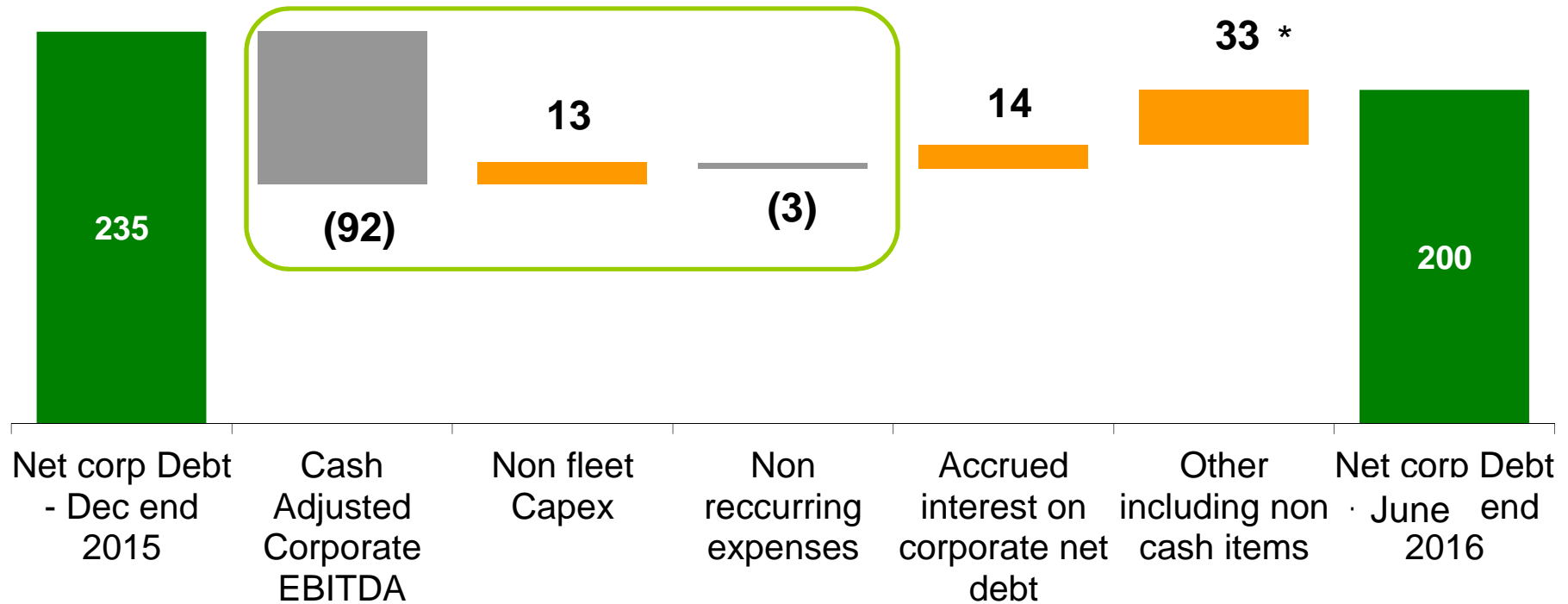
All data in €m	H1 2016	H1 2015
<b>Adjusted Corporate EBITDA</b>	<b>55</b>	<b>60</b>
Non-recurring expenses	3	-25
Non-fleet capital expenditure (net of proceeds from disposals)	-13	-12
Changes in non-fleet working capital and provisions	37	22
Income tax paid	0	-21
<b>Corporate free cash flow</b>	<b>82</b>	<b>24</b>
Cash interest paid on corporate High Yield bonds	-13	-51
<b>Cash flow before change in fleet asset base, financing and other investing activities</b>	<b>69</b>	<b>-27</b>
Other investing activities	-1	-9
Change in fleet asset base, net of drawings on fleet financing and working capital facilities	-150	-142
Capital increase	0	464
Change in Corporate High Yield	131	-252
Transaction cost cash out and swap impact	-3	-69
<b>Net change in cash before FX effect</b>	<b>46</b>	<b>-35</b>
Cash and cash equivalents at beginning of period	229	206
Effect of foreign exchange conversions	-1	2
<b>Cash and cash equivalents at end of period</b>	<b>274</b>	<b>174</b>

### Key considerations

- Adjusted Corporate EBITDA down €5m
- Non recurring expenses cash
  - in 2016 linked to the reimbursement of tax payment related to previous years occurred at end of 2015.
  - in 2015, litigation settlement and bonus payment linked to fast lane
- Change in fleet asset base and working capital facilities:
  - Growing fleet
  - RCF reimbursement as a result of in 2016 the issuance of €125m additional corporate notes, and in 2015 the cash available post IPO
- Cash Tax impacted by one off in 2015
- End of June 2015 impact of the IPO and associated refinancing reshape

## CORPORATE NET DEBT BRIDGE OVER H1 2016

### Corporate Free Cash Flow at €82 M



\* Including notably unfavorable effect of exchange rate and impact of seasonal increase of cash reserve to secure fleet financing



# CONCLUSION



***Europcar***  
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OUR MOTTO: TO SUPPORT THE SUSTAINABILITY OF OUR PROFITABLE GROWTH



## EUROPCAR, A LOW RISK BUSINESS MODEL WITH SIGNIFICANT VALUE CREATION POTENTIAL

**Unrivalled leader in an attractive growing market**



**Resilient and low risk business model**



**Renewed Organization focused on go to market and operational excellence**



**Strong Execution Capability**



**Flexible Cost Structure**



**Strong cash generation and financial headroom enabling to deliver our strategy**



# Appendix



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# FRANCHISEE ACQUISITIONS

**OUR TRACK-RECORD DEMONSTRATES OUR ABILITY TO SOURCE AND EXECUTE VALUE-ADDED TRANSACTIONS**

## Locaraise Acquisition in Q2 2016

- ✓ # 3 French franchisee
- ✓ €17m revenues generated through 19 locations and an average fleet of 2,200 vehicles; high proportion of SME customers
- ✓ **Transaction** : Cash out of €9m - estimated ~4x Adjusted Corporate EBITDA pre synergies <sup>(b)</sup>
- ✓ **Significant synergies identified both in terms of revenue and profitability:**
  - Optimization of vehicle management and costs through geographical continuity and fleet consolidation
  - Strengthening of operating leverage, particularly through Shared Service Centers
  - Implementation of the Group's "Revenues and Capacity Management" strategy and tools
  - Integration within Europcar's IT system

## Europ'Hall Integration

- ✓ #2 French franchisee at the time of the acquisition (October 2014)
- ✓ Smooth integration of Europ'Hall within Europcar, demonstrating highly value accretive feature of the transaction
- ✓ **Significant synergies achieved (Q1 16 vs Q1 15)**
  - Achieved savings on fixed costs following the transfer of some functions to Shared Service Center
  - Strong utilization rate enhancement: +c.5 points
  - Significant ancillary sales growth: +c.9%
  - Net Promoter Score sharp enhancement: +16%

(a) Consolidated from July 2016  
(b) Europcar Group estimate, based on 2015 figures

## LAB INVESTMENTS



**Bluemove is a mobility tech start-up and car sharing leader in Spain.** It is a well-established brand in Spain since 2011, operating in the cities of Madrid, Seville and Malaga, and will be soon launched in Barcelona and Valencia. In 2015, Bluemove was the winner of the '2015 Customer Value Leadership Award' by Frost & Sullivan.



**Wanderio is an Italian innovative multimodal start up created in 2013.** Its ambition is to simplify its customers' life by offering them the best transport mean to go from point to point, through its multi modal search and comparison platform. Customers can compare, book and pay travels by plane, train, longue distance buses and airport transfers and now to come car rental offer.



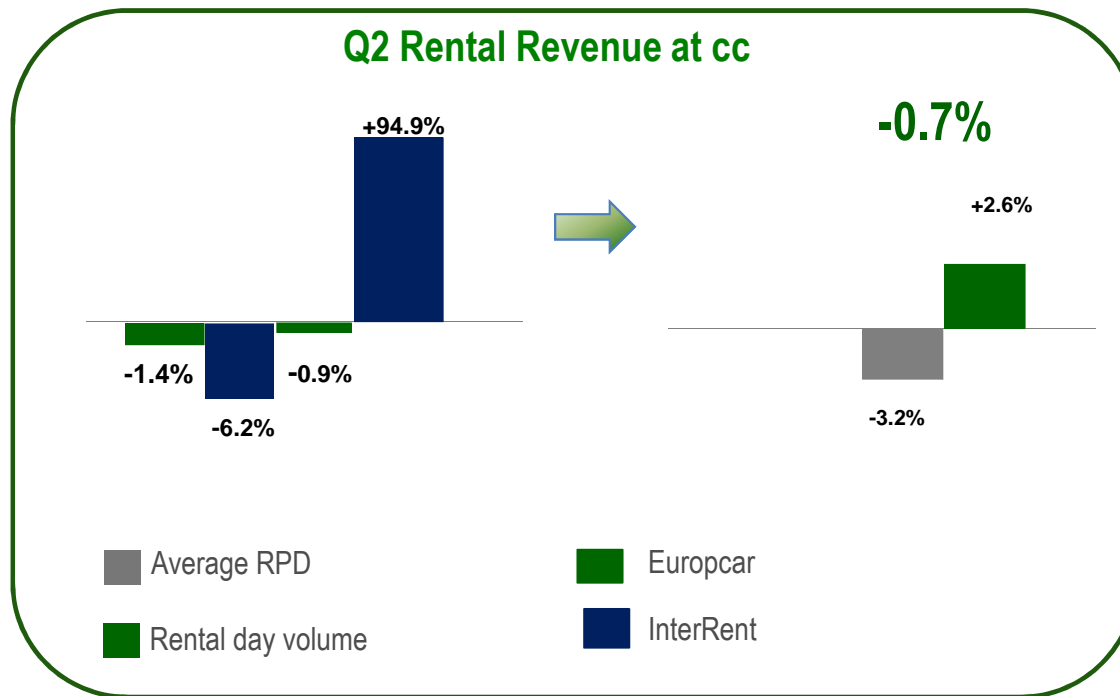
## Q2 KEY METRICS

All data in €m, except if noted	Q2 2016	Q2 2015	Change	Change at constant currency*
<b>Revenues</b>	<b>530</b>	<b>547</b>	<b>-3.0%</b>	<b>-0.9%</b>
<b>Rental Revenues</b>	<b>495</b>	<b>509</b>	<b>-2.8%</b>	<b>-0.7%</b>
Rental Day Volume (million)	14.9	14.6	2.6%	
Consolidated RPD (€)	33.1	35.0	-5.3%	-3.2%
Average duration (day)	5.6	5.7	-1.2%	
Average Fleet (thousand)	212.1	209.4	1.3%	
Per unit fleet costs per month (€)	-242	-248	-2.4%	-0.1%
Financial utilization rate	77.4%	76.4%	+1.0pt	
<b>Adjusted Corporate EBITDA</b>	<b>59</b>	<b>64</b>	<b>-7%</b>	<b>-5.7%</b>
<b>Adjusted Corporate EBITDA Margin</b>	<b>11.2%</b>	<b>11.7%</b>	<b>-0.5pt</b>	
<b>Corporate Free Cash Flow</b>	<b>82</b>	<b>59</b>		
Operating Income IFRS	65	48		
<b>Net Income IFRS</b>	<b>23</b>	<b>-87</b>		

\* UK pound and Australian dollar

## Q2 REVENUE

All data in €m	Q2 2016	Q2 2015	Change	Change at constant currency
<b>Rental revenues</b>	<b>494.7</b>	<b>509.1</b>	<b>-2.8%</b>	<b>-0.7%</b>
Other revenue associated with car rental	23.9	25.1	-4.8%	2.2%
Franchising business	11.7	12.6	-7.1%	-6.0%
<b>Revenues</b>	<b>530.3</b>	<b>546.8</b>	<b>-3.0%</b>	<b>-0.9%</b>



## Management P&L Q2 & H1 2016

Q2 2016	Q2 2015	All data in €m	H1 2016	H1 2015
<b>530.4</b>	<b>546.8</b>	<b>Total revenue</b>	<b>947.9</b>	<b>960.5</b>
-121.2	-123.1	Fleet holding costs, excluding estimated interest included in operating leases	-226.1	-229.1
-181.6	-188.4	Fleet operating, rental and revenue related costs	-336.9	-339.5
-86.4	-88.3	Personnel costs	-169.6	-169.2
-57.6	-54.8	Network and head office overhead	-111.0	-108.1
2.6	1.4	Other income and expense	2.5	2.1
-141.4	-141.7	Personnel costs, network and head office overhead, IT and other	-278.1	-275.2
-15.1	-15.5	Net fleet financing expense	-29.8	-30.8
-11.8	-14.1	Estimated interest included in operating leases	-22.4	-25.7
-26.9	-29.6	Fleet financing expenses, including estimated interest included in operating leases	-52.2	-56.5
<b>59.4</b>	<b>63.9</b>	<b>Adjusted Corporate EBITDA</b>	<b>54.7</b>	<b>60.2</b>
<b>11.2%</b>	<b>11.7%</b>	<b>Margin</b>	<b>5.8%</b>	<b>6.3%</b>
-7.7	-8.0	Depreciation – excluding vehicle fleet	-15.9	-16.0
-1.4	-23.2	Other operating income and expenses	3.3	-55.9
-12.7	-111.1	Other financing income and expense not related to the fleet	-25.3	-139.3
<b>37.6</b>	<b>-78.5</b>	<b>Profit/loss before tax</b>	<b>16.8</b>	<b>-151.0</b>
-14.7	-6.7	Income tax	-11.0	-1.7
0.1	-2.2	Share of profit/(loss) of associates	-2.9	-4.1
<b>22.9</b>	<b>-87.3</b>	<b>Net profit/(loss)</b>	<b>2.8</b>	<b>-156.8</b>

## IFRS P&L Q2 & H1 2016

Q2 2016	Q2 2015	All data in €m	H1 2016	H1 2015
<b>530.4</b>	<b>546.8</b>	<b>Total revenue</b>	<b>947.9</b>	<b>960.5</b>
-133.0	-137.2	Fleet holding costs	-248.5	-254.8
-181.6	-188.4	Fleet operating, rental and revenue related costs	-336.9	-339.5
-86.4	-88.3	Personnel costs	-169.6	-169.2
-57.6	-54.8	Network and head office overhead	-111.0	-108.1
2.6	1.4	Other income and expense	2.5	2.1
-7.7	-8.0	Depreciation – excluding vehicle fleet	-15.9	-16.0
<b>66.8</b>	<b>71.5</b>	<b>Recurring operating income</b>	<b>68.6</b>	<b>75.0</b>
-1.4	-23.2	Other non-recurring income and expenses	3.3	-55.9
<b>65.4</b>	<b>48.3</b>	<b>Operating income</b>	<b>71.9</b>	<b>19.1</b>
-27.8	-126.6	Net financing costs	-55.1	-170.1
<b>37.6</b>	<b>-78.5</b>	<b>Profit/(loss) before tax</b>	<b>16.8</b>	<b>-151.0</b>
-14.7	-6.7	Income tax	-11.0	-1.7
0.1	-2.2	Share of profit/(loss) of associates	-2.9	-4.1
<b>22.9</b>	<b>-87.3</b>	<b>Net profit/(loss)</b>	<b>2.8</b>	<b>-156.8</b>
<b>22.9</b>	<b>-87.3</b>	<b>Net profit/(loss) attributable to Europcar owners</b>	<b>2.9</b>	<b>-156.8</b>

Q2 IFRS P&L presented for convenience purposes, not prepared on a standalone basis but obtained by difference between Q1 YTD P&L and H1 P&L.

## Reconciliation P&L Q2 & H1 2016

Q2 2016	Q2 2015	All data in €m	H1 2016	H1 2015
<b>183.7</b>	<b>193.4</b>	<b>Adjusted Consolidated EBITDA</b>	<b>287.0</b>	<b>300.8</b>
-46.1	-44.9	Fleet depreciation IFRS	-87.3	-85.8
-51.3	-54.9	Fleet depreciation included in operating lease rents	-92.8	-98.3
<b>-97.4</b>	<b>-99.8</b>	<b>Total Fleet depreciation</b>	<b>-180.1</b>	<b>-184.1</b>
-11.8	-14.1	Interest expense related to fleet operating leases (estimated)	-22.4	-25.7
-15.1	-15.5	Net fleet financing expenses	-29.8	-30.8
<b>-26.9</b>	<b>-29.6</b>	<b>Total Fleet financing</b>	<b>-52.2</b>	<b>-56.5</b>
<b>59.4</b>	<b>63.9</b>	<b>Adjusted Corporate EBITDA</b>	<b>54.7</b>	<b>60.2</b>
-7.7	-8	Amortization, depreciation and impairment expense	-15.9	-16.0
15.1	15.5	Reversal of Net fleet financing expenses	29.8	30.8
11.8	14.1	Reversal of Interest expense related to fleet operating leases (estimated)	22.4	25.7
<b>78.6</b>	<b>85.5</b>	<b>Adjusted recurring operating income</b>	<b>91.0</b>	<b>100.6</b>
-11.8	-14.1	Interest expense related to fleet operating leases (estimated)	-22.4	-25.7
<b>66.8</b>	<b>71.5</b>	<b>Recurring operating income</b>	<b>68.6</b>	<b>74.9</b>

## Balance Sheet IFRS

In € thousands

June 30, 2016 Dec. 31, 2015

### Assets

Goodwill	450,035	457,072
Intangible assets	713,128	713,136
Property, plant and equipment	83,783	89,236
Equity-accounted investments	19,131	22,035
Other non-current financial assets	49,813	57,062
Deferred tax assets	63,749	55,730
<b>Total non-current assets</b>	<b>1,379,639</b>	<b>1,394,271</b>
Inventories	18,555	15,092
Rental fleet recorded on the balance sheet	2,072,584	1,664,930
Rental fleet related receivables	716,627	574,652
Trade and other receivables	379,766	357,200
Current financial assets	41,464	37,523
Current tax assets	26,080	33,441
Restricted cash	111,811	97,366
Cash and cash equivalents	167,037	146,075
<b>Total current assets</b>	<b>3,533,924</b>	<b>2,926,280</b>
<b>Total assets</b>	<b>4,913,563</b>	<b>4,320,551</b>

### Equity

Share capital	143,409	143,155
Share premium	767,147	767,402
Reserves	(111,360)	(74,341)
Retained earnings (losses)	(282,976)	(274,821)
<b>Total equity attributable to the owners of ECG</b>	<b>516,220</b>	<b>561,395</b>
Non-controlling interests	685	962
<b>Total equity</b>	<b>516,905</b>	<b>562,356</b>

### Liabilities

Financial liabilities	932,073	801,183
Non-current financial instruments	67,052	52,090
Employee benefit liabilities	123,356	119,295
Non-current provisions	20,257	25,168
Deferred tax liabilities	130,078	131,132
Other non-current liabilities	276	306
<b>Total non-current liabilities</b>	<b>1,273,092</b>	<b>1,129,174</b>
Current portion of financial liabilities	1,375,920	1,263,783
Employee benefits	16,661	2,944
Current tax liabilities	30,468	24,511
Rental fleet related payables	962,508	662,722
Trade payables and other liabilities	520,743	424,974
Current provisions	217,266	250,087
<b>Total current liabilities</b>	<b>3,123,566</b>	<b>2,629,021</b>
<b>Total liabilities</b>	<b>4,396,658</b>	<b>3,758,195</b>

<b>Total equity and liabilities</b>	<b>4,913,563</b>	<b>4,320,551</b>
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# Cash Flow Statement IFRS

In € thousands

	Half-year 2016	Full-year 2015	Half-year 2015
<b>Profit/(loss) before tax</b>	<b>16,756</b>	<b>(6,047)</b>	<b>(151,037)</b>
<b>Reversal of the following items</b>			
Depreciation and impairment charge on property, plant and equipment	7,292	15,277	7,041
Amortization and impairment charge on intangible assets	8,566	17,893	8,875
Changes in provisions and employee benefits <sup>(1)</sup>	(33,482)	999	15,252
Recognition of share-based payments	2,450	2,624	
Costs related to the IPO		8,692	
Profit/(loss) on disposal of assets	(62)	(394)	(21)
<b>Total net interest costs <sup>(2)</sup></b>	<b>47,101</b>	<b>127,303</b>	<b>77,449</b>
Redemption premium		56,010	56,010
Amortization of transaction costs	3,734	42,340	34,965
Other non-cash items	440	1,465	4,252
<b>Financing costs</b>	<b>51,275</b>	<b>227,118</b>	<b>172,676</b>
<b>Net cash from operation before changes in working capital</b>	<b>52,795</b>	<b>266,162</b>	<b>52,786</b>
Changes in rental fleet recorded on the balance sheet <sup>(3)</sup>	(478,053)	(232,851)	(553,410)
Changes in fleet working capital	158,226	34,869	158,663
Changes in non-fleet working capital	73,334	(57,243)	47,507
<b>Cash generated from operations</b>	<b>(246,493)</b>	<b>10,937</b>	<b>(294,454)</b>
Income taxes received/paid <sup>(4)</sup>	63	(39,669)	(20,875)
Net interest paid	(46,786)	(137,334)	(86,556)
<b>Net cash generated from (used by) operating activities</b>	<b>(240,421)</b>	<b>(166,066)</b>	<b>(401,885)</b>
Acquisition of intangible assets and property, plant and equipment	(16,294)	(29,172)	(12,088)
Proceeds from disposal of intangible assets and property, plant and equipment	3,382	5,384	612
Other investments and loans	2,756		
Acquisition of financial assets		(7,563)	(6,664)
Acquisition of subsidiaries, net of cash acquired <sup>(5)</sup>		(23,872)	(6,000)
<b>Net cash used by investing activities</b>	<b>(10,156)</b>	<b>(55,223)</b>	<b>(24,140)</b>
Capital increase (net of related expenses) <sup>(6)</sup>		448,203	464,014
Issuance of bonds <sup>(7)</sup>	130,625	471,623	471,623
Redemption of bonds <sup>(8)</sup>		(780,010)	(780,016)
(Purchases) / Sales of treasury shares net	(2,800)		
Changes in other borrowings <sup>(9)</sup>	171,608	123,310	249,219
Payment of transaction costs	(2,447)	(19,820)	(12,450)
<b>Net cash generated from (used by) financing activities</b>	<b>296,986</b>	<b>243,306</b>	<b>392,390</b>
<b>Cash and cash equivalent at beginning of period</b>	<b>229,368</b>	<b>206,317</b>	<b>206,317</b>
Net increase/(decrease) in cash and cash equivalents after effect of foreign exchange differences	46,409	22,018	(33,635)
Effect of foreign exchange differences	(997)	1,033	1,313
<b>Cash and cash equivalents at end of period</b>	<b>274,780</b>	<b>229,368</b>	<b>173,996</b>

<sup>(1)</sup> In 2016, change in provision as explained in note 17 and pension variation for €18 million due to the discount rate decrease (UK + GER).

<sup>(2)</sup> Due to refinancing perform following the IPO.

<sup>(3)</sup> Given the average ownership period for the fleet, the Group reports the vehicles as current assets at the beginning of the contract. Their change from period to period is therefore similar to operating flows generated by activity.

<sup>(4)</sup> Due to the over estimation of income tax payable reimbursement by tax authorities between 2015 and 2016 (UK and GER).

<sup>(5)</sup> Of which, 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.

<sup>(6)</sup> Corresponding to capital increases on May 15 and June 26, 2015, for a total of €476.5 million net of fees paid (€8.7 million in other non-recurring expenses and €19.6 million out of the €23.6 million allotted to the share premium).

<sup>(7)</sup> High-yield bond issue in 2015 of €475 million at 99.289%.

<sup>(8)</sup> In 2015, early redemption of high-yield bonds of €324 million and €400 million, and payment of their redemption premium of €56 million.

<sup>(9)</sup> Of which €48 million due to FX impact

# SECURED AND OPTIMIZED FINANCING STRUCTURE

	€million	Pricing	Maturity	June 30, 2016
IN Balance Sheet	High Yield Senior Notes	5.75%	2022	600
	Senior Revolving Facility (€350m)	E+250bps	2020	0
	FCT Junior Notes, accrued interest not yet due, capitalized financing costs and other			-189
	<b>Gross Corporate debt</b>			<b>411</b>
	Short-term Investments and Cash in operating and holding entities			-211
	<b>CORPORATE NET DEBT</b>			<b>200</b>

	€million	Pricing	Maturity	June 30, 2016
IN Balance Sheet	High Yield EC Finance Notes	5.125%	2021	350
	Senior asset revolving facility (€1.1bn SARF)	E+170bps	2019	859
	FCT Junior Notes, accrued interest, financing capitalized costs and other			174
	UK, Australia and other fleet financing facilities		various	509
	<b>Gross financial fleet debt</b>			<b>1,892</b>
	Cash held in fleet financing entities and Short-term fleet investments			-148
	<b>Fleet net debt in Balance sheet</b>			<b>1,744</b>
OFF BS	<b>Debt equivalent of fleet operating leases - OFF BS</b>			<b>1,811</b>
	<b>TOTAL FLEET NET DEBT (incl. op leases)</b>			<b>3,555</b>
	<b>TOTAL NET DEBT</b>		<b>(A)+(B)</b>	<b>3,755</b>

- (a) These bonds are listed on the Luxembourg Stock Exchange. The corresponding prospectus is available on Luxembourg Stock Exchange website (<http://www.bourse.lu/Accueil.jsp>)
- (b) Depending on the leverage ratio
- (c) Swap instruments covering the SARF structure have been extended to 2019
- (d) UK fleet financing maturing in 2017 with a two-year extension option
- (e) Corresponds to the net book value of applicable vehicles, which is calculated on the basis of the purchase price and depreciation rates of corresponding vehicles (based on contracts with manufacturers).

## Corporate Net Debt

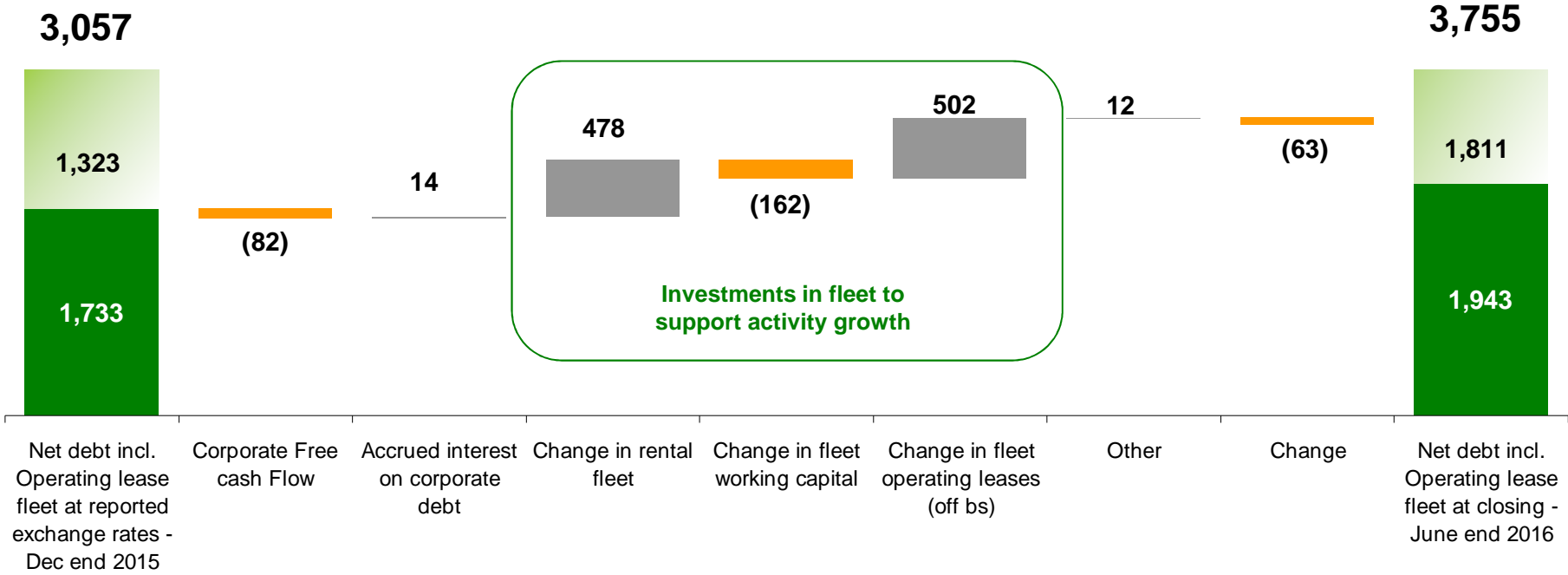
- On June 2, successful issuance of a new tranche on the € 475 M bond, for €125 million, priced at 4.8790 % yield to maturity representing a 100 bps improvement compared to original yield to maturity.
- Cash available post IPO and new notes currently used for RCF repayment
- Very low leverage at 0.8x**

## Fleet net debt

- Both IN and OFF Balance Sheet fully asset backed with vehicles**
- Successful refinancing from July 2014 to June 2015 with improved terms on all IN BS key debt lines
- SARF single A rated
- Secured interest costs thanks to swap up to €1.6 bn maturing up to 2019**
- Ongoing process for OFF BS lines refinancing to benefit from our better performances and our upgraded rating in July 2015

	Average Fleet net debt for H1 2016	
average	In balance sheet	1,542
	Off Balance Sheet	1,456
	<b>Total Fleet net debt</b>	<b>2,998</b>
LTV	Indebtedness at the testing date	1,302
	Total value of the net assets	1,152
	<b>Loan to value ratio</b>	<b>89.8%</b>

# BRIDGE TOTAL NET DEBT OVER H1 2016



Off Balance Sheet Debt
  On Balance Sheet Debt

## Glossary (1/2)

- **Business customers** include corporations, small and medium-sized businesses, government agencies and other organizations which rent cars as well as entities renting cars to provide vehicle replacement services
- **Corporate countries:** countries where Europcar owns and operates its own network, where corporate-operated stations are located (Germany, UK, France, Italy, Spain, Portugal, Belgium and Australia/New Zealand)
- **Adjusted Corporate EBITDA:** EBITDA less fleet depreciation, fleet operating lease rents and fleet financing costs
- **Fleet:** all vehicles operated by the car rental company available or not for rent which includes cars and vans
- **Fleet Cost per Unit per month:** defined as total monthly fleet costs (including fleet holding and fleet operating costs but excluding financial interests) divided by the average fleet over the period
- **Fleet holding costs:** include (A) Costs related to rental fleet agreements, which consist of (i) “depreciation” expense relating both to vehicles purchased with manufacturer or dealer buy-back commitments and to “at risk” vehicles (based, with respect to vehicles purchased with a buy-back commitment, on monthly depreciation rates negotiated under the buy-back agreements, net of volume rebates, and with respect to “at risk” vehicles, to the difference between the acquisition cost of the vehicles and the estimated residual value, the value of “at risk” vehicles being adjusted monthly on the basis of the vehicles’ market values) and (ii) charges under operating leases; (B) Acquisition and sale-related costs, which include principally (i) the cost of vehicle accessories; (ii) costs relating to the conditioning of new vehicles; and (iii) costs relating to disposal of used vehicles and of vehicles purchased in connection with buy-back programs; and (C) Taxes on vehicles.
- **Fleet operating, rental and revenue related costs:** include (A) Fleet operating costs, which include repairs and maintenance costs and costs incurred for damaged and stolen cars, as well as the costs of reconditioning vehicles for repurchase by the car manufacturer or dealer; (B) insurance (the costs of car insurance covering civil liability and damage to vehicles, as well as self-insurance costs); (C) Revenue-related commissions and fees, which include commissions paid to agents, such as personnel costs and station overhead (excluding vehicle fleet), as well as commissions paid to travel agents, brokers and other commercial partners and fees and taxes paid for airport and train station concessions; and (D) Rental related costs, which include the cost of transferring vehicles from one site to another, vehicle washing costs and fuel costs.
- **Fleet financial utilization rate:** corresponds to the Number of Rental Days as a percentage of the number of days in the fleet’s financial availability period. The fleet’s financial availability period corresponds to the period during which the Group holds vehicles.
- **Franchising:** arrangement where the franchiser grants the franchisee the right to use its trademark or trade-name as well as certain business systems and processes, to produce and market a good or services according to certain specifications. In exchange, the franchisee usually pays the franchiser an entry fee plus a percentage of sales revenues as royalty

## Glossary (2/2)

- **GDS (Global Distribution System)**: computerized reservations systems operated by third parties and used by intermediaries such as travel agents and travel operators to make reservations with the Europcar Network
- **GSA (General Sales Agent)**: general sales representative that promotes and sells the services offered by Europcar in a specific country or region in consideration of a commission
- **GreenWay® system**: software application, owned by Europcar, offering a comprehensive business solution mainly in the areas of fleet management, e-commerce, reservations and global distribution systems and rental operations
- **Leisure customers**: include not only individual travelers booking vacation car rentals but also people renting to meet other personal needs
- **Loan to value**: corresponds to the indebtedness of Securitifleet Holding, the Securitifleet Companies and EC Finance Plc divided by the total value of the net assets on the balance sheets of these companies.
- **Margin after variable costs**: corresponds to the total revenues less Fleet holding costs and Fleet operating, rental and revenue related costs
- **Net rates**: brokers selling at any price, ie brokers revenue is the gap between Europcar's selling price and their selling price (usually offered to TOs for package, brokers with Keddy and destinations where brokers are more present than Europcar)
- **Operating lease vehicle**: agreement by which a vehicle is leased to a car rental company, which pays periodically on a relatively short-term basis; at the end of the operating lease, title does not pass to the car rental company
- **Rental Day Volume** number of vehicles rented over a period of time
- **RCM**: Revenue Capacity Management
- **Retail rates**: Europcar setting the price and paying a commission to brokers preventing them from selling at a lower price than Europcar's
- **RPD (Revenue Per Day)**: rental revenue divided by the Rental Day Volume
- **Vehicle replacement**: business involving principally the rental of cars to individuals whose rental charges are wholly or partially paid or reimbursed, by insurance companies, vehicle leasing companies and vehicle dealers and other entities offering vehicle replacement services, with whom Europcar has a direct contractual relationship

## Important Legal Disclaimer / Contacts

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