

The background of the slide is a blurred image of a road winding through a lush green landscape. The motion blur gives a sense of speed and movement. A semi-transparent grey banner is positioned at the top of the slide.

EUROPCAR GROUP

Full Year 2017 Results

The Europcar logo is located in the bottom left corner. It features the word "Europcar" in a white, italicized, sans-serif font. A thick yellow underline is positioned beneath the letters "Europ".

Europcar

A stylized world map in a light green color, centered on the Atlantic Ocean, serving as a background for the slide.

FY 2017 RESULTS

.....

CAROLINE PAROT, Europcar Group CEO
LUC PELIGRY, Europcar Group CFO

IMPORTANT NOTICE: based on Financial statements prepared under IFRS

Important Legal Disclaimer / Contacts

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For all financial or business information, please refer to our IR website at: **finance.europcar-group.com**

Agenda



AGENDA

HIGHLIGHTS & ACHIEVEMENTS

OPERATING & FINANCIAL
PERFORMANCE

FUTURE PROSPECTS

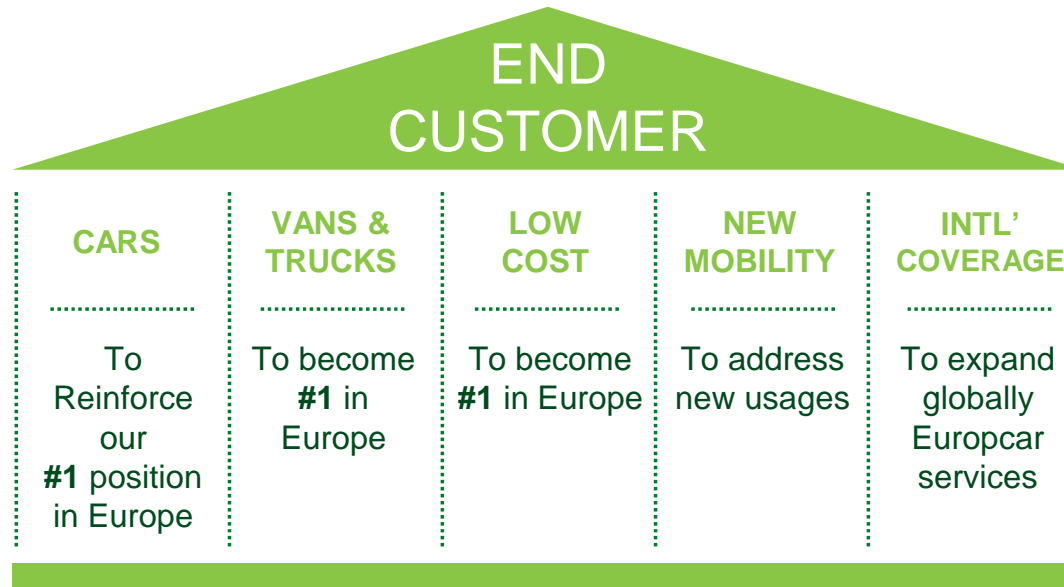
APPENDIX

Full year 2017 strategic highlights



- Strategic repositioning through customer-centric focus and group digital transformation to address fast-growing New Mobility needs beyond traditional car rental
- Pivotal acquisitions of both Goldcar and Buchbinder completed in 2017, to expand the group's market reach and accelerate in attractive Low Cost and Vans & Trucks segments
- Improvement of customer experience through ongoing Strategic Programs, such as NPS110 to monitor client satisfaction and Click & Go to make it easier, simpler and faster
- Successful refinancing campaign with the issuance of €600 million HY Senior Notes due 2024 and €350 million HY EC Finance Notes due 2022 on improved terms and conditions
- Sound and satisfactory resolution of repair & damage-related issues in the UK
- Sale of 25% stake in Car2go Europe for €70 million (post closing event)

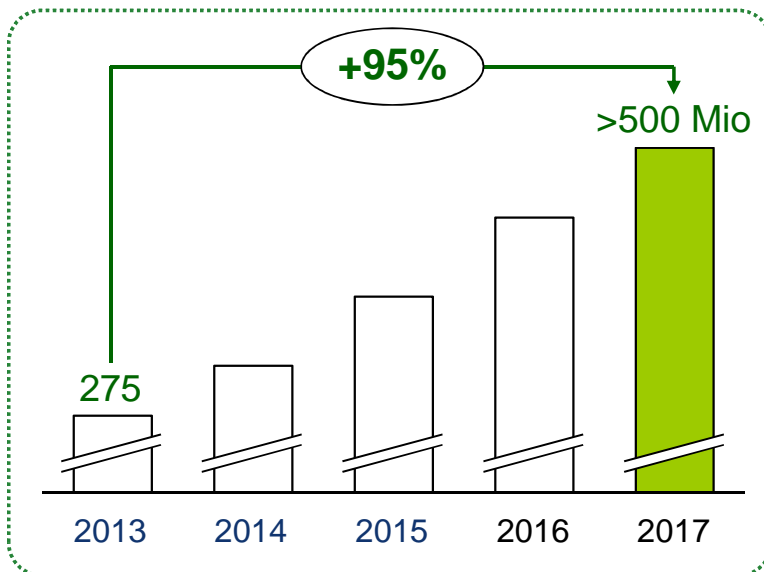
Strategic repositioning accelerated through bolt-on and transforming M&A



Unleashing Ecommerce growth

Ecommerce leisure revenue growth sharp acceleration

- Europcar leisure Direct to brand online gross revenue doubled in **4** years to reach **36%** of leisure rentals



... now also predominant in B2B segments

- New B2B portal launched in 2016 already delivering **40%** of EC group B2B leads
- Successful launch of Europcar business self service in July 17



New CRM platform to ensure end-to-end brand experience and improved customer satisfaction

Build a customer centric logic and CRM capacity

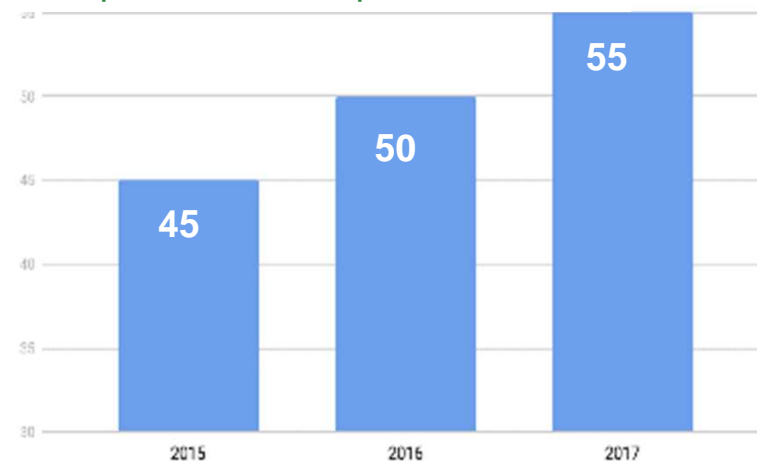
- Customer first program deployed
- **360** view for staff and customers
- Multichannel contact management
- Reduce # of claims
- Developed selfcare capacity
- Customer lifecycle



...resulting in increased customer satisfaction

- NPS steady growth over the last 3 years
- Every Europcar employee incentivized on NPS evolution

Europcar Brand net promoter score



Digital station development

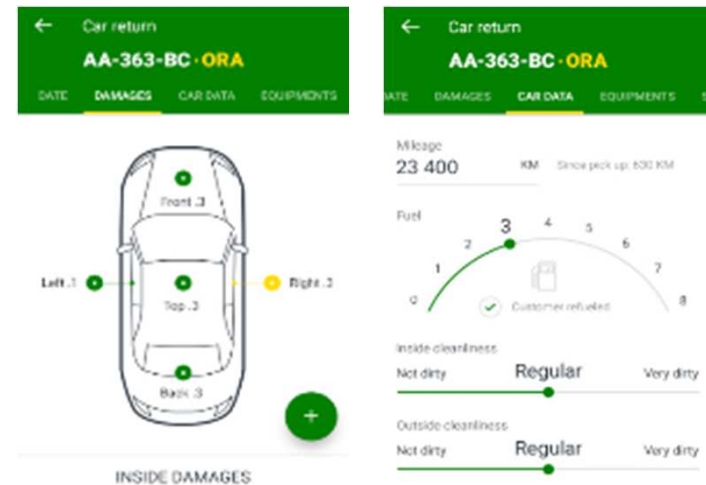
Direct access to car

- Solution for B2B customers to skip the desk and go directly to their car



New App for staff and customers

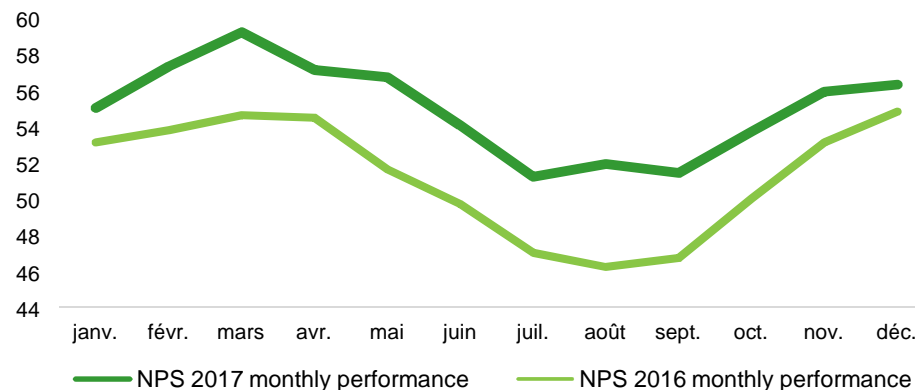
- Mobile car return : App already available for agents covering return process: damages, car data (mileage, fuel, cleanliness), statement of return signed and sent via email to customers



Striving for operational excellence

- Steady growth in NPS from **50** to **55** & launch of NPS 110 program to ensure further improvement
- Increase in share of Direct to Brand revenue to **36%** (up 200 bps YoY)
- Full deployment of Salesforce CRM tool across all contact centers & key stations
- Launch of Click&Go customer journey improvement program
- Significant improvement in waiting time and turnaround sales through AF One

NPS monthly evolution



Air Force One scorecard

		Q3 17	Q4 17
Q	Wait Time	-11% vs. Q3 16	-14% vs. Q4 16
	Turn-around sales	+11 %pts vs. Q3 16	+7 %pts vs. Q4 16

« Commit Together! », the CSR strategy of Europcar

Europcar commits on...



Europcar CSR rankings

		2016	2017		
	Promoting mobility for all ...to be a major player of the sustainable development by building confidence with its customers and by offering them convenient and transparent products.		D	C	+ 3 ranks
	Being a responsible employer ...to be a responsible employer by promoting employees development and diversity which are essential to the success and growth of the company and by developing a strong employer brand		61%	75%	+ 14 pts
	Fighting against climate change ...to improve its environmental footprint and participate to the fight against climate change through a dynamic environmental management.		/	C	Not ranked in 2016
	Creating shared value ...to promote ethics in business by giving value to a responsible procurement policy and by conducting business with integrity.	 Palmarès féminisation 2017	70 ^{ème}	19 ^{ème}	+51 ranks
			/	Best Auto-Mobility services operator Europe 2017	/

Full year 2017 financial highlights

Europcar
moving your way

“The nearest car rental office is in my hand.”

moving John's way

E | One app to do almost everything.

- Strong year on year growth of **+13.5%** in Revenue over 2017, of which **3.4%** organic thanks to a strong leisure momentum particularly in southern Europe
- Stable fleet costs per unit with improving fleet utilization rate year-on-year on an organic basis
- Adjusted Corporate EBITDA margin at **11.8%** excluding New Mobility and Buchbinder
- Adjusted Corporate Operating Free Cash Flow to EBITDA conversion close to 50% excluding New Mobility and some non-recurring items *
- Corporate Net Debt to EBITDA at **2.6x** at end of 2017

Agenda



AGENDA

HIGHLIGHTS & ACHIEVEMENTS

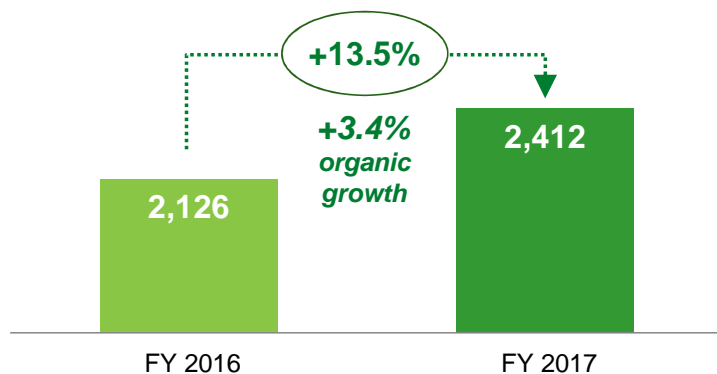
**OPERATING & FINANCIAL
PERFORMANCE**

FUTURE PROSPECTS

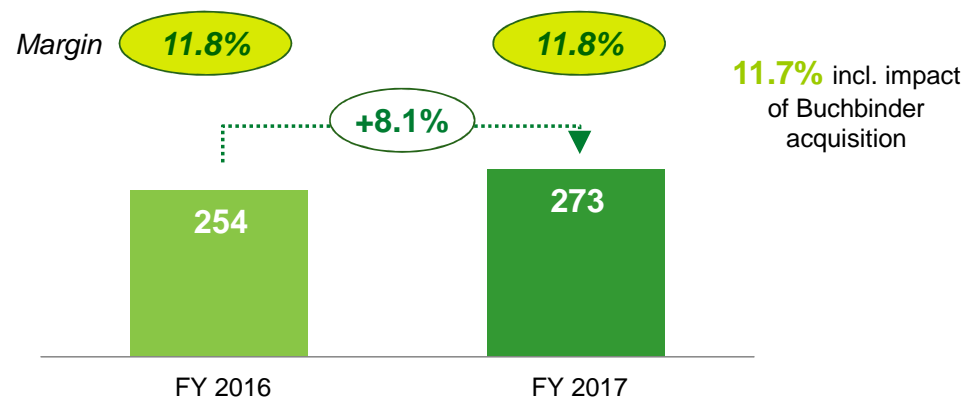
APPENDIX

Full year 2017 Financials

Revenue (€m and % growth)



Adjusted Corporate EBITDA excl. New Mobility and Buchbinder (€m, % growth and % margin)

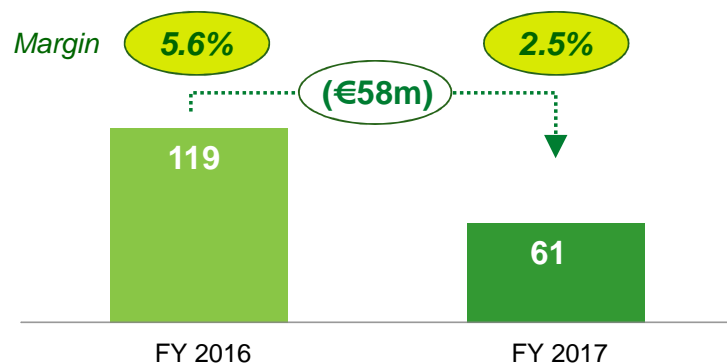


- Double-digit growth in revenue, with organic growth above **3.0%**
- Stable Adjusted Corporate EBITDA margin excl. New Mobility and Buchbinder

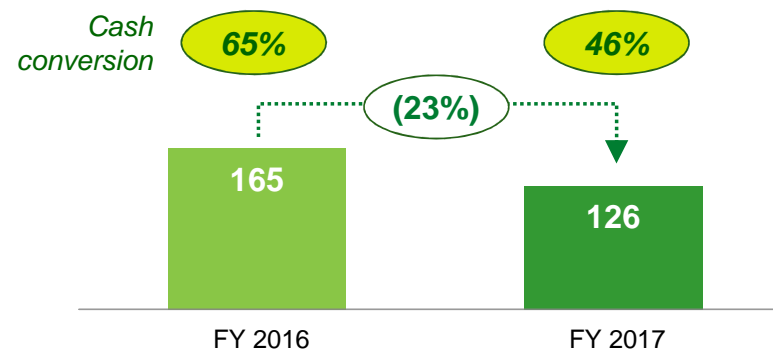
Notes: Revenue & Adjusted Corporate EBITDA figures are at constant exchange rate; Organic revenue growth is defined at constant currency, constant perimeter and excluding petrol

Full year 2017 Financials

Net income (€m and % margin)



Adjusted Corporate Operating FCF excl. New Mobility and non-recurring items (€m, % cash conversion)

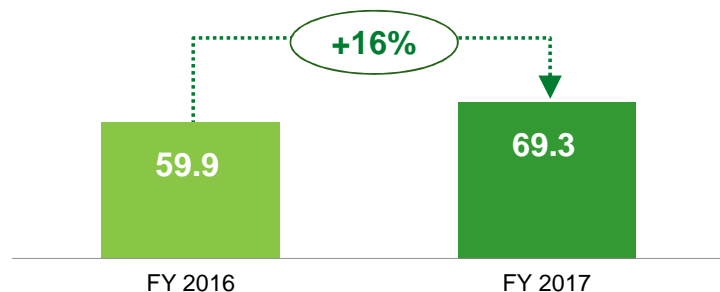


- Net income impacted by **€71** million non-recurring expense
- Operating FCF adjusted for New Mobility, UK litigation and M&A related fees

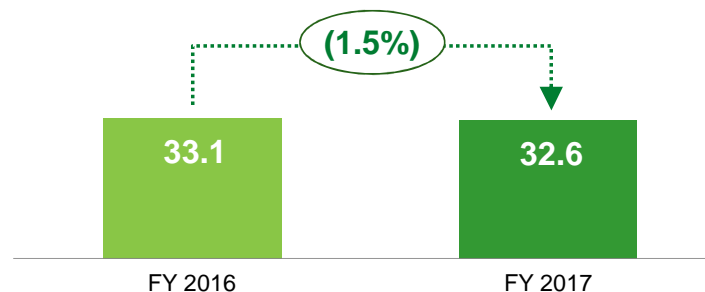
Notes: Net Income and Corporate Operating Free Cash Flow are reported figures

Full year 2017 KPIs

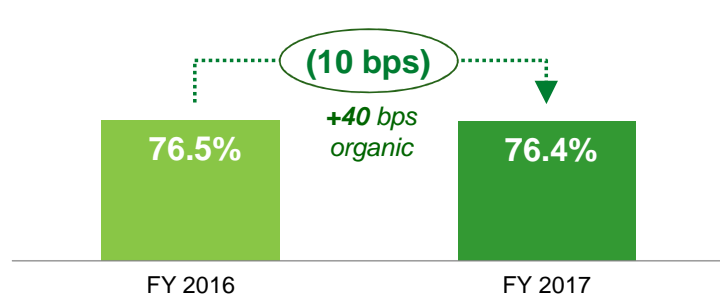
Rental day volume (million and % growth)



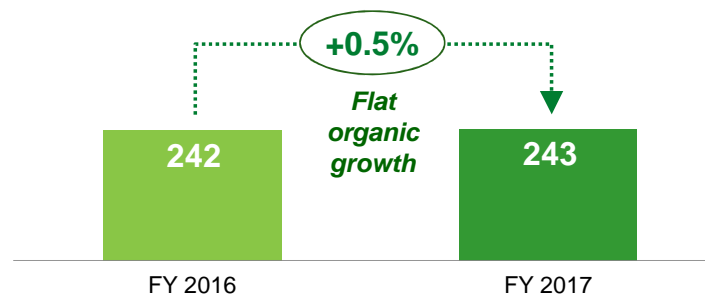
Blended RPD (€ and % growth)



Utilization rate (% and change in bps)



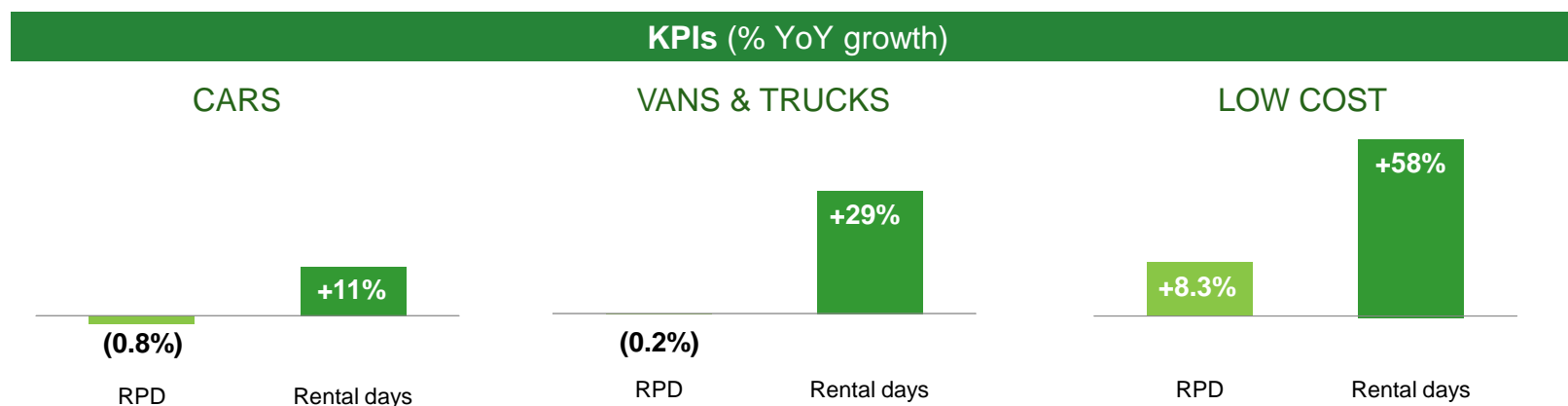
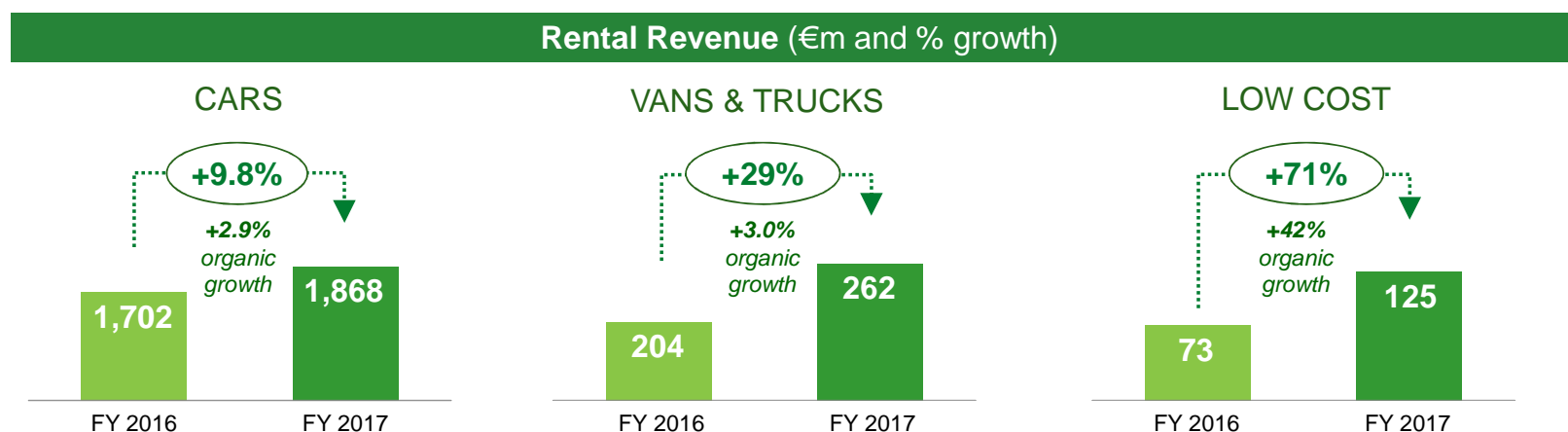
Fleet costs per unit per month (€ and % growth)



Double-digit rental day volume growth, stable unitary fleet costs and improving utilization rate on an organic basis

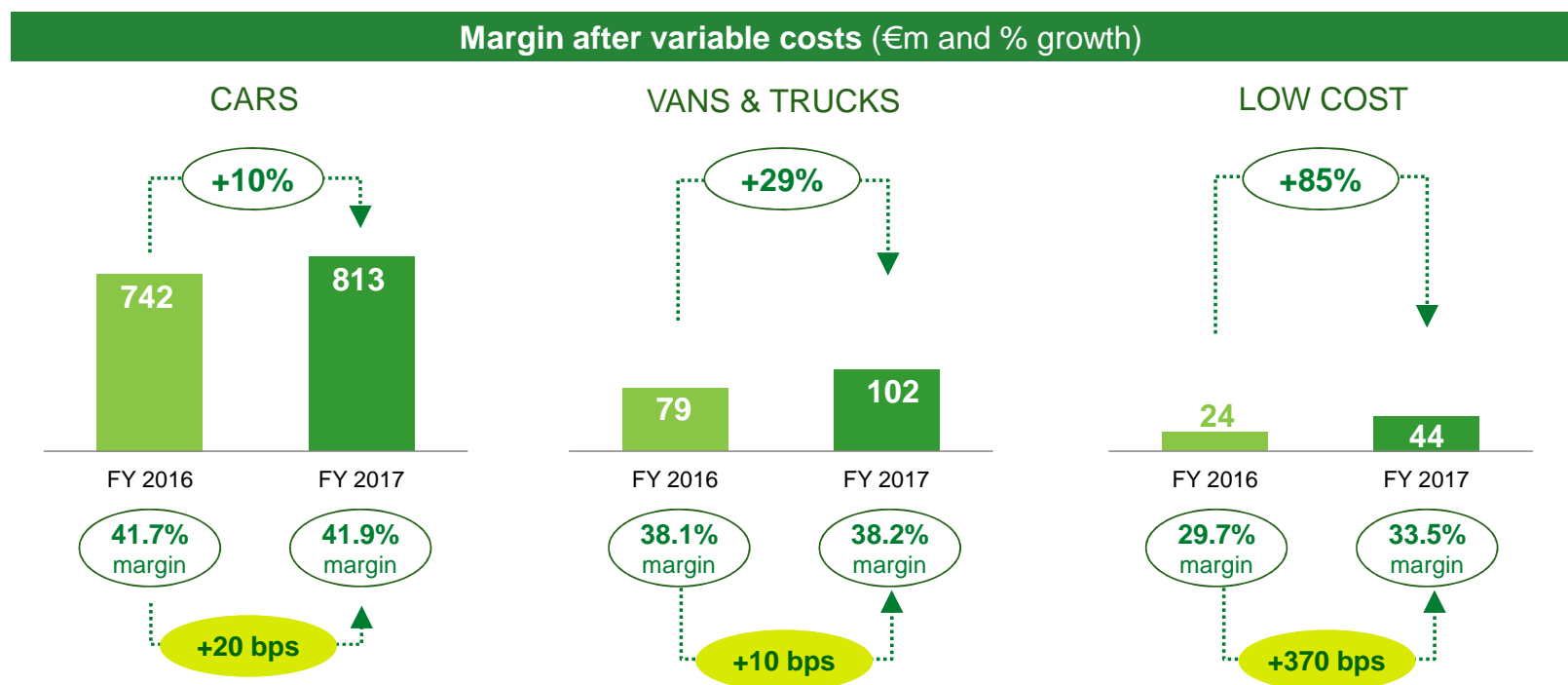
Note: Figures at constant exchange rate

Full year 2017 revenue by Business Unit



Note: Figures at constant exchange rate

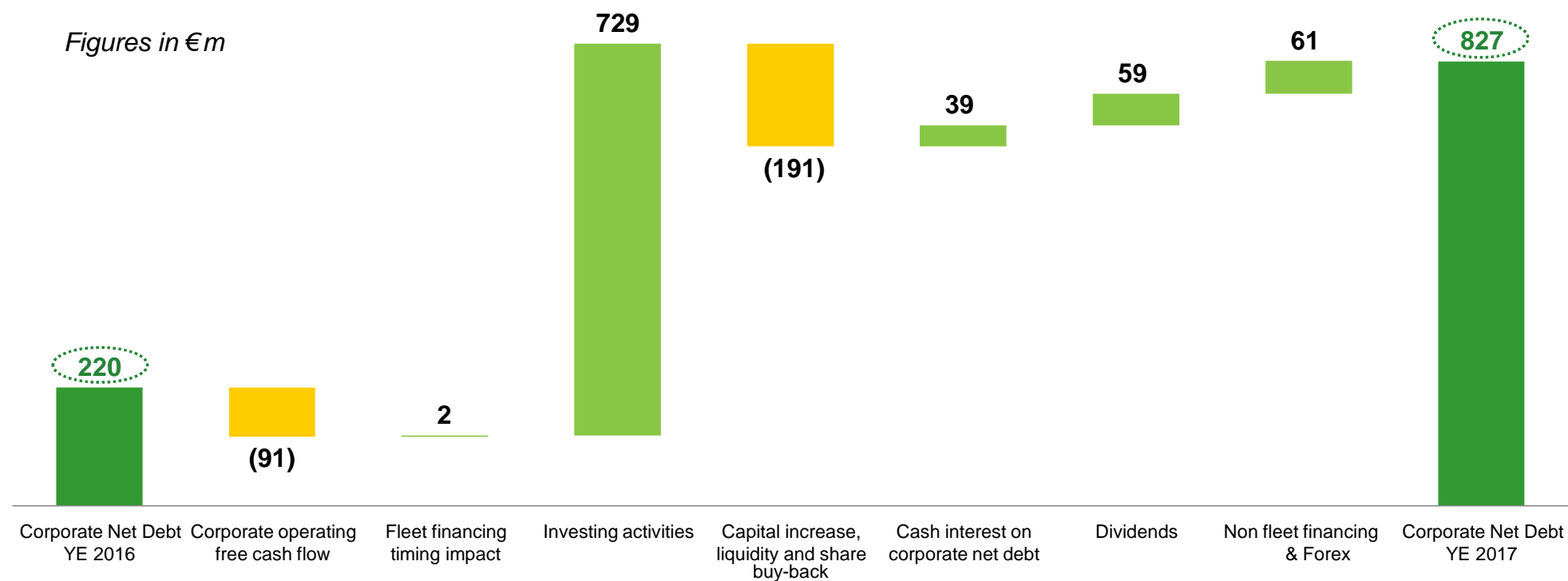
Full year 2017 margin after variable costs by Business Unit



Positive performance across three largest business units

Note: Margin after variable costs is defined as Revenue – Fleet costs – Revenue Related costs – Petrol costs – Rental related costs – Insurance & Assistance costs at constant exchange rates

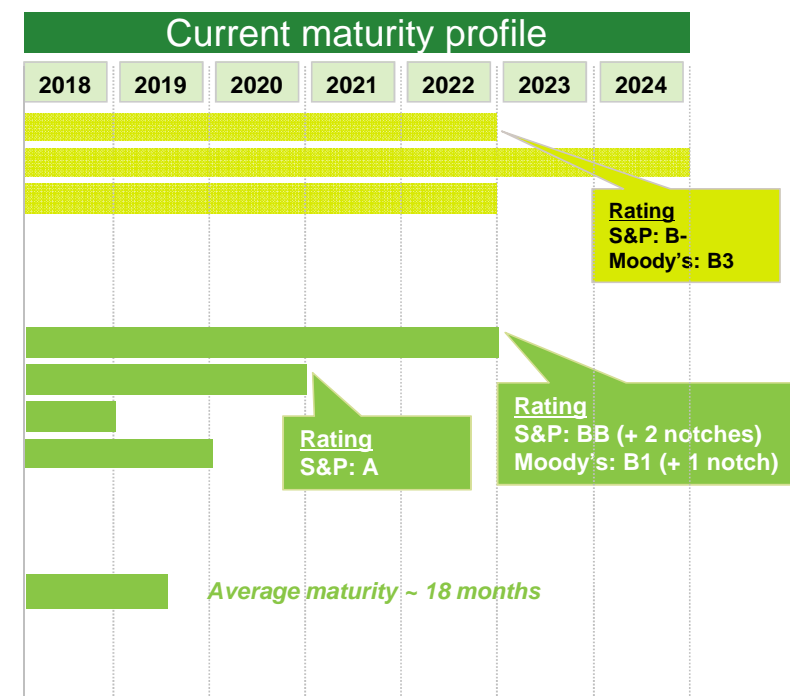
Corporate Net Debt at €827m as of end December 2017



Releveraging in context of strong M&A momentum

Financing structure as of December 31, 2017

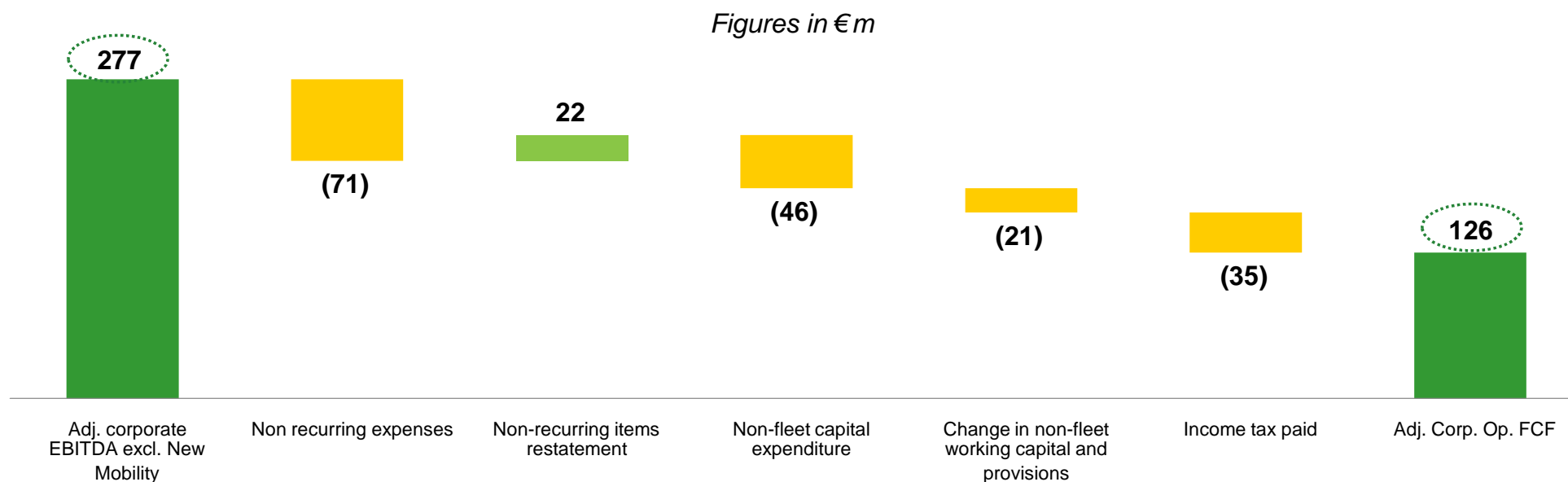
Capital structure as of December 31, 2017			
	€m	Pricing	Q4 2017
Corporate Debt	On Balance Sheet		
	High Yield Senior Notes 2022	5.75%	600
	High Yield Senior Notes 2024	4.125%	600
	Senior Revolving Facility (€500m)	E+225bps	160
	FCT Junior Notes, Cash and others		(533)
	Net corporate debt		827
Fleet Debt	On Balance Sheet		
	High Yield EC Finance Notes	2.375%	350
	Senior Asset Revolving Facility (€1.3bn)	E+150bps	739
	Asset-backed Bridge Goldcar	E+225bps	234
	UK, Australia and other fleet financing	Various	847
	FCT Junior Notes, Cash and others		117
	Net fleet debt in Balance Sheet		2,287
	Off		
	Debt equivalent of fleet operating leases		1,774
	Total net fleet debt		4,061
Total consolidated net debt (incl. op. leases)			4,888



Key considerations

- Refinancing of the **€350m** Senior Secured Notes issuance (fleet bond) priced at **2,375%**:
~ **€10m annual savings on fleet financing costs**
- New **€450m** Asset-Backed Bridge dedicated to Goldcar fleet priced at Eur + **225 bps**:
~ **delivery of 100% of the expected synergies on financings from the closing date**
- Fleet debt in euro fully hedged in average** (before impact of the recent acquisitions)

Full year 2017 Adjusted Corporate Operating Free Cash Flow



Adjusted Corporate Operating Free Cash Flow conversion rate of 46% excl. New Mobility and non-recurring items

Notes: 1 – Non-recurring items restated are related to UK litigation and M&A expenses 2 – Adjusted Corporate Operating Free Cash Flow conversion is defined as the ratio between the Adjusted Corporate Operating Free Cash Flow and the Adjusted Corporate EBITDA in percentage terms

Agenda



AGENDA

HIGHLIGHTS & ACHIEVEMENTS

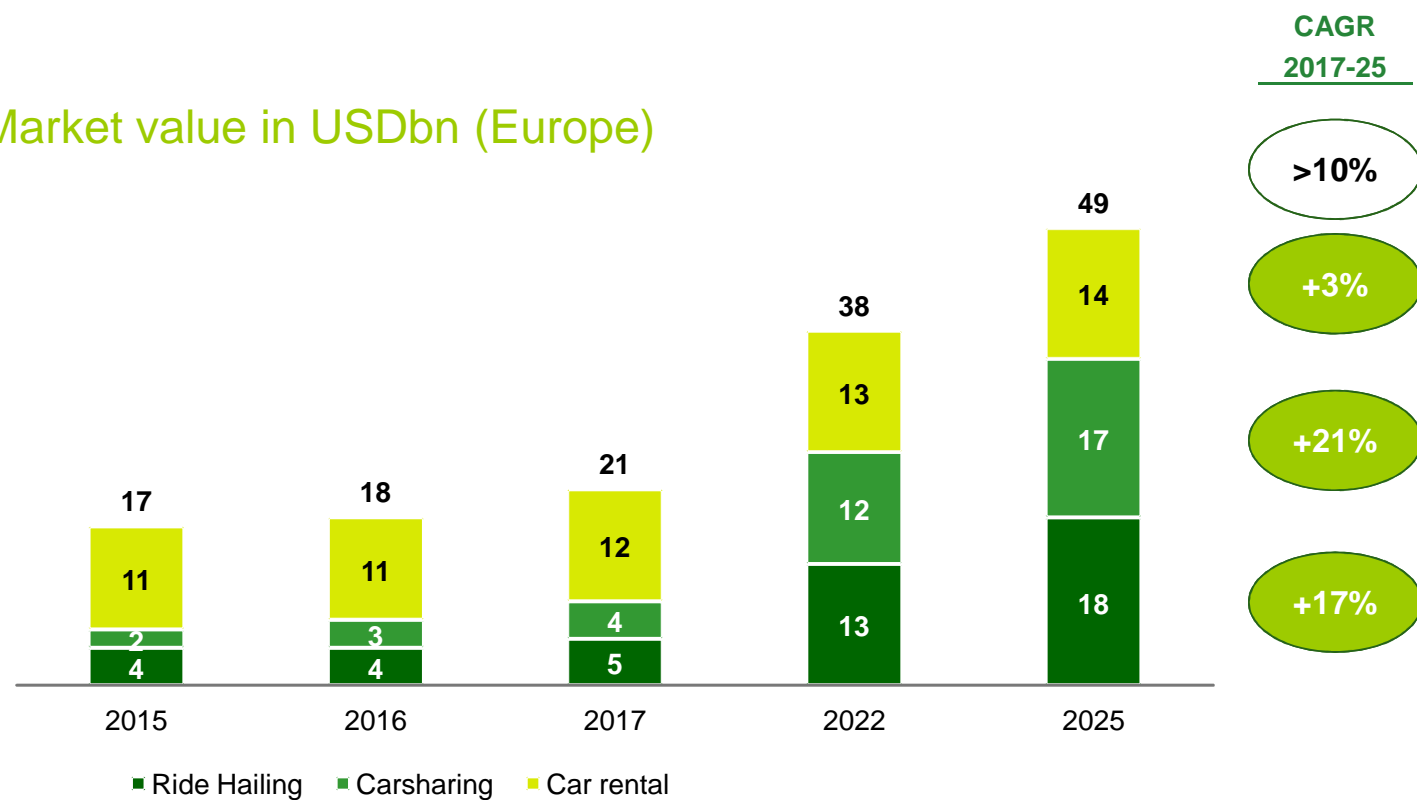
OPERATING & FINANCIAL
PERFORMANCE

FUTURE PROSPECTS

APPENDIX

Addressable market for Europcar beyond traditional car rental

Market value in USDbn (Europe)



Mobility market is expected to grow double-digit by 2025, driven by New Mobility segments

Sources: Markets & Markets, BCG

Our Journey



Accelerating towards Ambition 2020

- Group sales over **€3bn**, through organic initiatives and acquisitions
- Underlying corporate EBITDA margin over **14%**, excluding new mobility

KEY PERFORMANCE DRIVERS

Operating leverage

Fleet optimization (incl. financing)

Other operational efficiencies

M&A synergies

Cash allocation prospects 2018-2020

Growth acceleration

BOLT-ON M&A	Maximum €150m by end 2018 Focused mainly on franchisees and Vans & Trucks
NEW MOBILITY CAPEX AND M&A	€150-250m envelope in 2018-2020 Including partnerships
NON-FLEET CAPEX (EX NEW MOBILITY)	c. €50m per year in 2018-2020

Shareholder returns

DIVIDEND POLICY	Maintain the current dividend policy with a payout > 30%
TACTICAL SBB	Funded by excess cash when appropriate

Rebalancing cash allocation between growth acceleration and shareholder returns

2018 Guidance

FY 2018

>3% | ORGANIC REVENUE GROWTH

>€350m | ADJUSTED CORPORATE EBITDA EXCLUDING NEW MOBILITY

>50% | ADJUSTED CORPORATE OP. FCF CONVERSION EXCLUDING NEW MOBILITY

>30% | DIVIDEND PAYOUT RATIO

Appendix



AGENDA

HIGHLIGHTS & ACHIEVEMENTS

OPERATING & FINANCIAL
PERFORMANCE

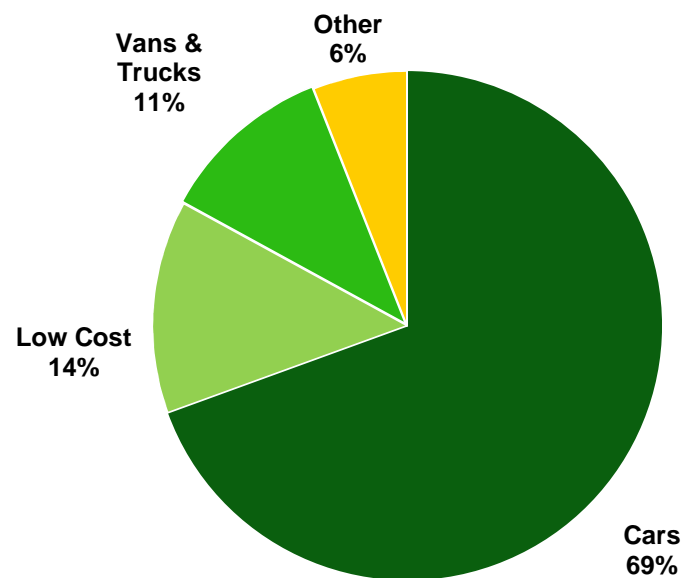
FUTURE PROSPECTS

APPENDIX

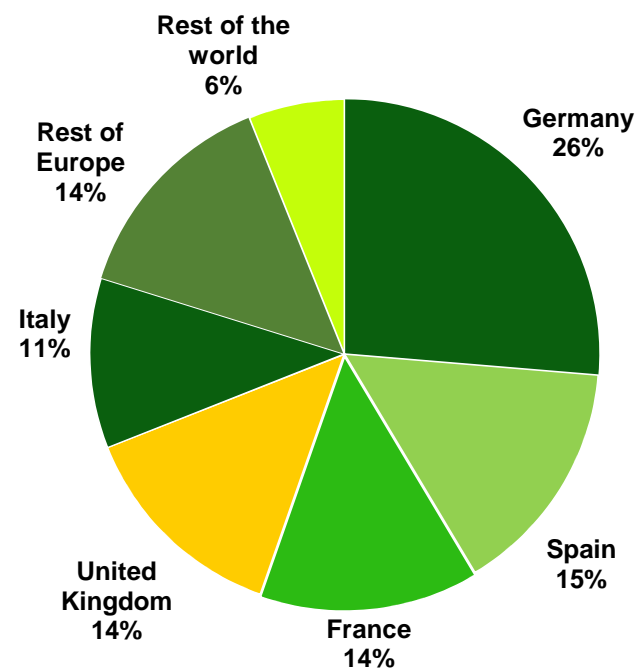
Group profile pro forma 2017

FY2017 Pro forma revenue by business unit

(1)



FY2017 Pro forma revenue by geography



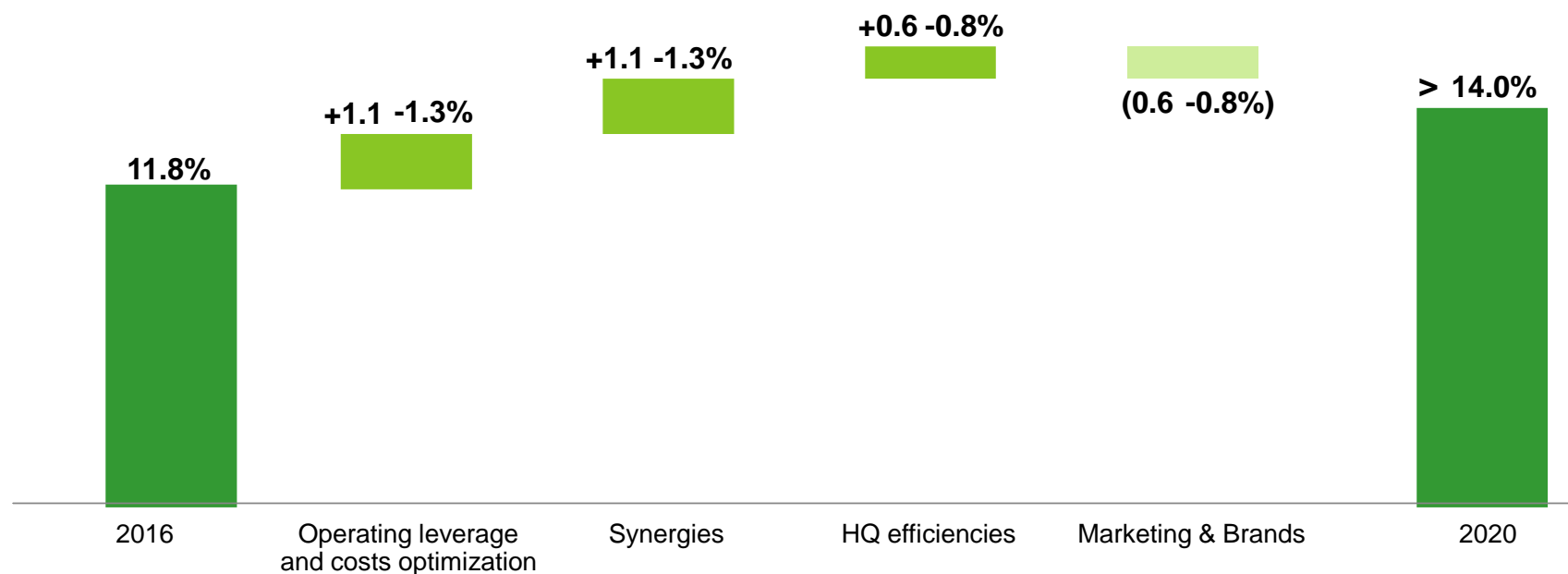
FY2017 Pro forma group sales of €2.8bn

Notes:

(1) Other = New Mobility + International Coverage + Petrol-related revenue

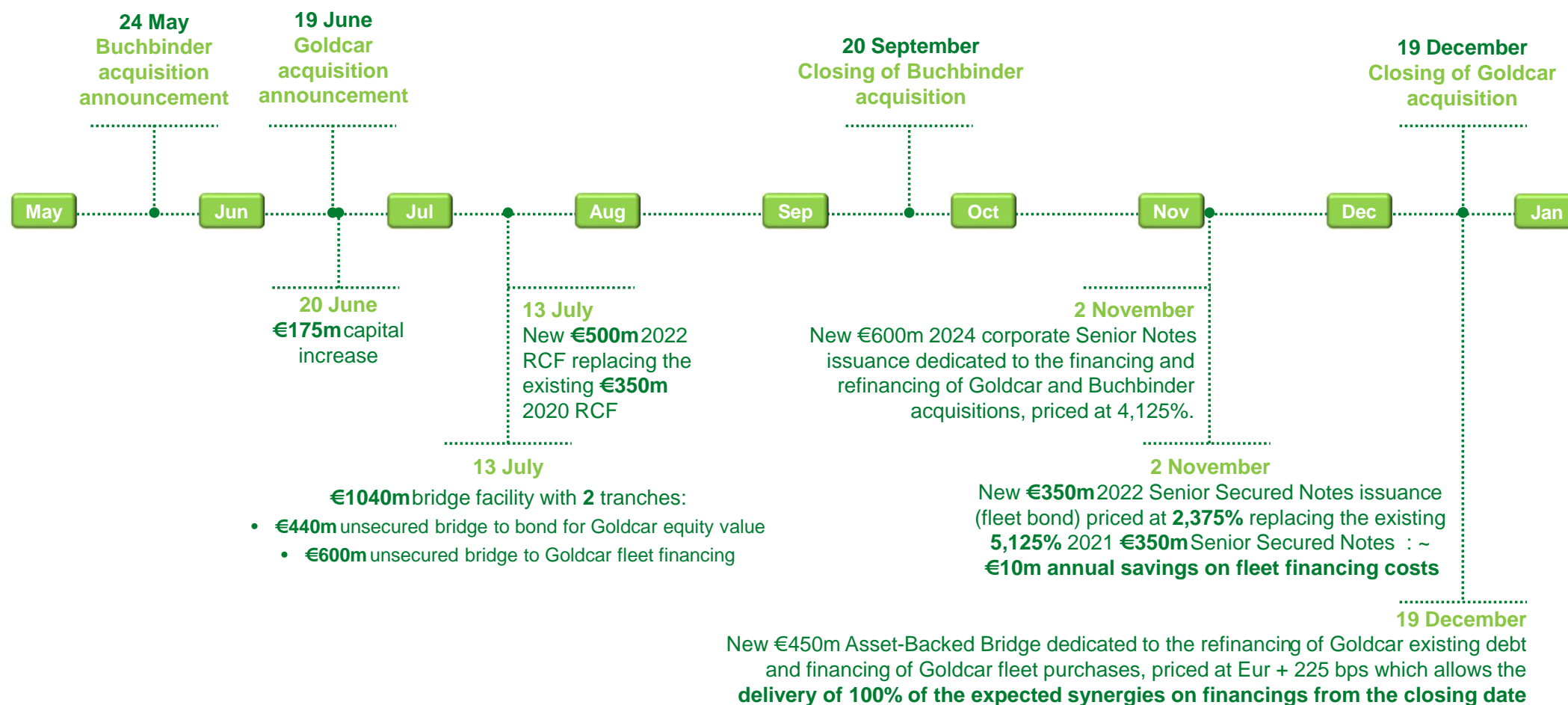
Focus on mid-term profitability target

Corporate EBITDA margin bridge (excl. New Mobility) between 2016 and 2020



On track to reach Corporate EBITDA margin (excl. New Mobility) of at least 14% by 2020

2017: A transforming year for the Group's financing



Benefits from franchisee integration: the Irish case study



- Ireland as a destination has grown by over **20%** YoY in terms of online revenue in 2017
- **75%** of the contribution to this growth came from cross-border online platforms
- Mobile is the channel which has been driving this growth (mobile-related sales x2)
- **90%** of Ireland's revenue comes from inbound markets (only **10%** domestic)
- 2017 outbound revenue from Ireland as a source market has grown **20%** YoY
- Decrease in pay per click cost of sale by over **20%**

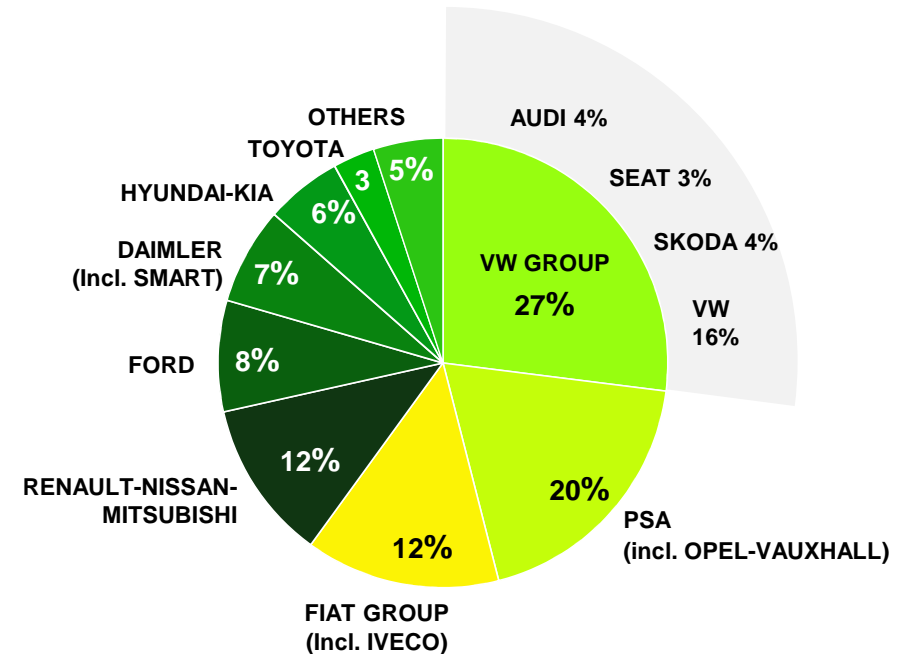
Europcar group fleet profile 2017

AVERAGE FLEET*

- Average fleet retention period: **9.4** months
(cars: 8.7 months; vans: 20.8 months)
- Average fleet: **251.000** vehicles
- **88%** passenger cars, **12%** vans



Fleet acquisitions: 344.000 vehicles acquired

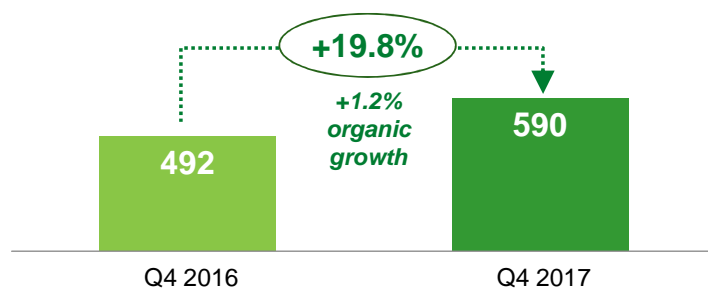


88% buyback (or Lease), **12%** Risk

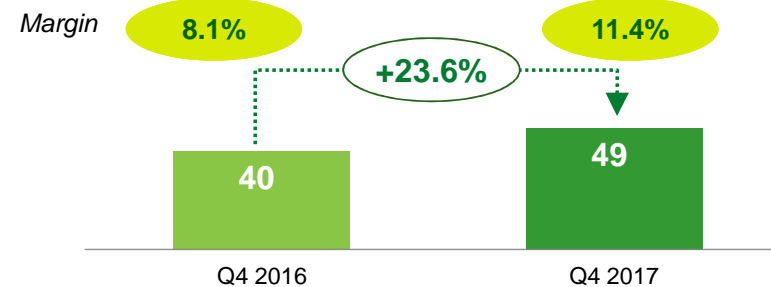
* Europcar Corporate entities 2017 (incl. Ireland, Denmark, Buchbinder. Excl. Goldcar)
Goldcar 2017: average fleet 39.000 units, acquisitions 45.000 (83% Buyback)

Q4 2017 Financials

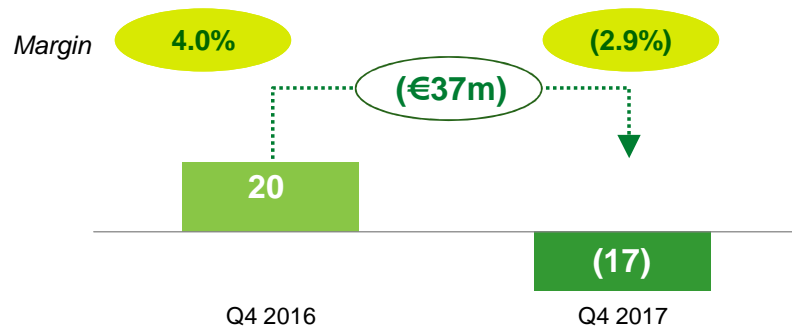
Revenue (€m and % growth)



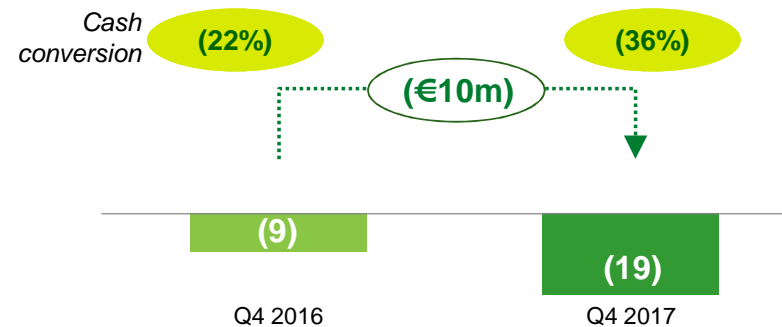
Adjusted Corporate EBITDA excl. New Mobility and Buchbinder (€m, % growth and % margin)



Net income (€m and % margin)



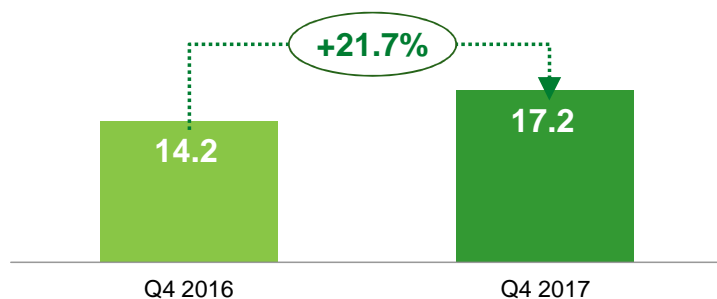
Adjusted Corp. Op. FCF excl. New Mobility and non-recurring items (€m, % cash conversion)



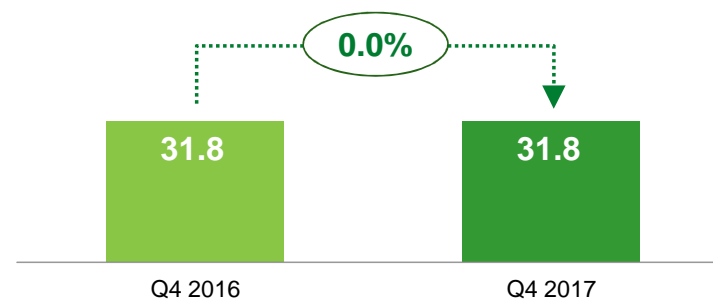
Notes: Revenue & Adjusted Corporate EBITDA figures are at constant exchange rate; Net Income and Corporate Operating Free Cash Flow are reported figures; Organic revenue growth is defined at constant currency, constant perimeter and excluding petrol

Q4 2017 KPIs

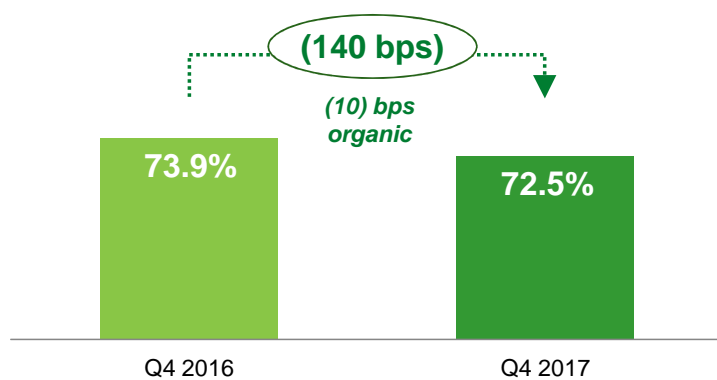
Rental day volume (million and % growth)



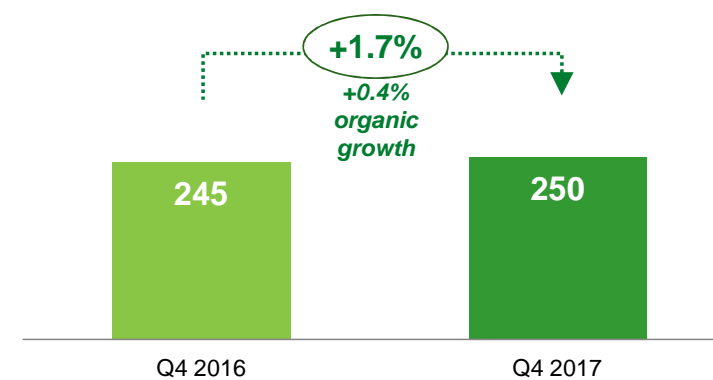
Blended RPD (€ and % growth)



Utilization rate (% and increase in bps)

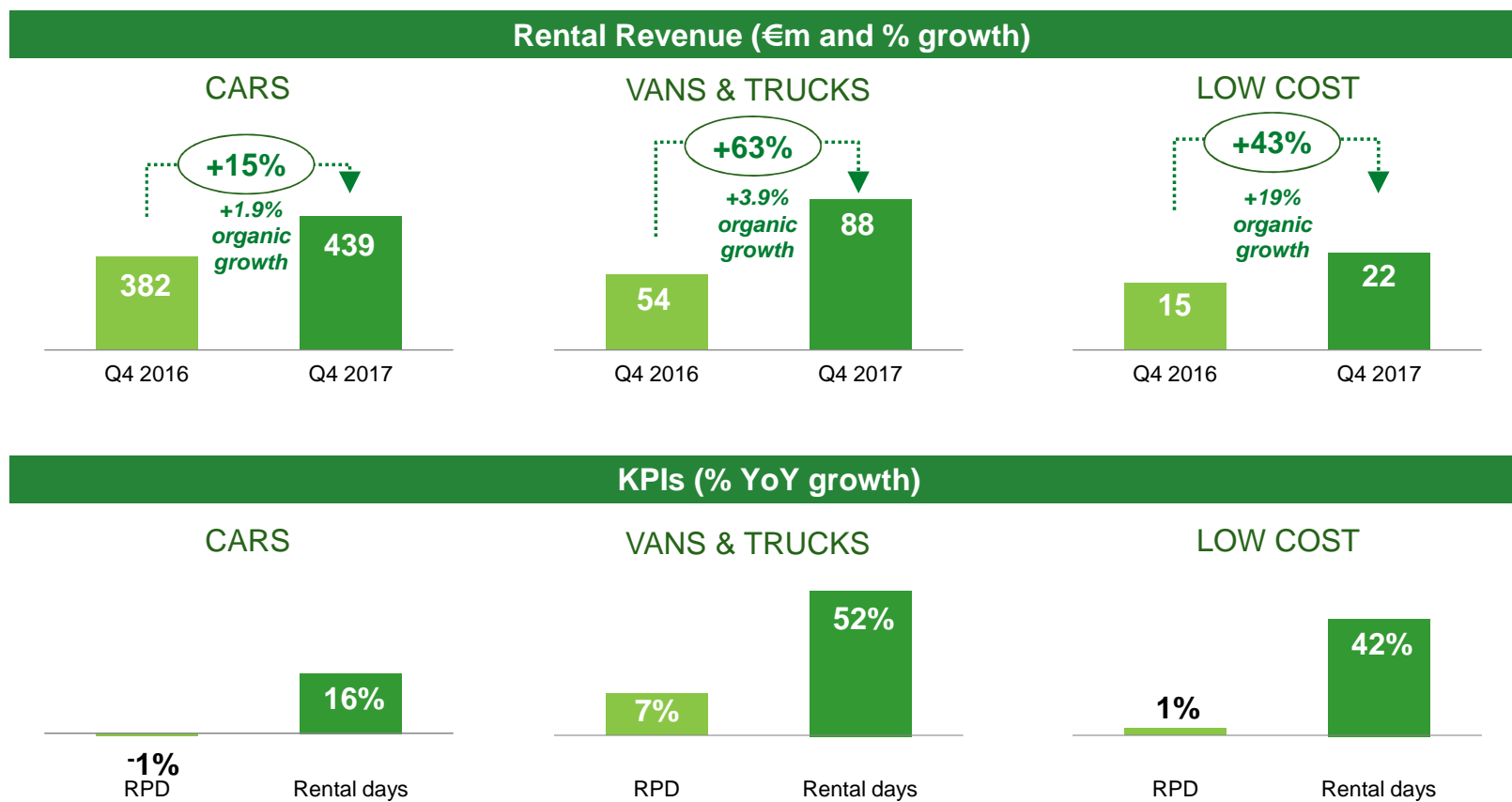


Fleet costs per unit per month (€ and % growth)



Note: Figures at constant exchange rate

Q4 2017 revenue by Business Unit



Note: Figures at constant exchange rate

Key financial metrics for FY 2017

All data in €m, except if noted	12M 2017	12M 2016	Change	Change at constant currency*
Revenues**	2 412	2 151	12,1%	13,5%
Rental Revenues	2 255	2 002	12,6%	14,0%
Rental Day Volume (million)	69,3	59,9	15,7%	
Consolidated RPD (€)	32,6	33,4	-2,6%	-1,5%
Average duration (day)	6,1	6,0	2,5%	
Average Fleet (thousand)***	248,5	213,8	16,3%	
Average Per unit fleet costs per month (€)	(243)	(245)	-0,9%	
Financial utilization rate	76,4%	76,5%	(0,2)pt	
Adjusted Corporate EBITDA	264	254	3,9%	4,6%
<i>Adjusted Corporate EBITDA Margin</i>	10,9%	11,8%	(0,9)pt	
Corporate Free Cash Flow	91	157	-42,1%	
Last Twelve Months Adjusted Corporate EBITDA	264	254	3,9%	
<i>LTM Adjusted Corporate EBITDA Margin</i>	10,9%	11,8%	(0,9)pt	
Operating Income IFRS	223	263	-15,0%	
Net Income IFRS	61	119	n.m	n.m
Corporate Net Debt at end of the period	827	220		
Total Fleet Net Debt at the end of the period (inc. Operating leases)	4 061	3 045	33,4%	

* UK pound and Australian dollar

** Total revenues excluding petrol income increase 13.7% at constant currency,

*** Total fleet Cars & vans 269.5k as of Dec. 31, 2017 vs 193.1k as of Dec. 31, 2016.

Key financial metrics for Q4 2017

All data in €m, except if noted	Q4 2017	Q4 2016	Change	Change at constant currency*
Revenues**	590	496	19,0%	19,8%
Rental Revenues	549	454	20,9%	21,7%
Rental Day Volume (million)	17,2	14,2	21,7%	
Consolidated RPD (€)	31,8	32,0	-0,6%	0,0%
Average duration (day)	6,1	5,9	3,0%	
Average Fleet (thousand)***	258,4	208,7	23,9%	
Average Per unit fleet costs per month (€)	(250)	(247)	1,2%	
Financial utilization rate	72,5%	73,9%	(1,3)pt	
Adjusted Corporate EBITDA	47	40	15,4%	17,1%
<i>Adjusted Corporate EBITDA Margin</i>	7,9%	8,1%	(0,2)pt	
Corporate Free Cash Flow	(50)	(9)	n.m.	
Last Twelve Months Adjusted Corporate EBITDA	264	254	3.9%	
LTM Adjusted Corporate EBITDA Margin	10,9%	11,8%	(0,9)pt	
Operating Income IFRS	25	22	12,5%	
Net Income IFRS	(17)	20	n.m	n.m
Corporate Net Debt at end of the period	827	220		
Total Fleet Net Debt at the end of the period (inc. Operating leases)	4 061	3 045	33,4%	

* UK pound and Australian dollar

** Total revenues excluding petrol income increase 20,2% at constant currency,

*** Total fleet Cars & vans 269,5k as of Dec. 31, 2017 vs 193,1k as of Dec. 31, 2016.

Management P&L Q4 & FY 2017

Q4 2017	Q4 2016	All data in €m	12M 2017	12M 2016
589,9	495,6	Total revenue	2 411,7	2 150,8
(144,8)	(118,7)	Fleet holding costs, excluding estimated interest included in operating leases	(558,1)	(488,8)
(204,0)	(180,9)	Fleet operating, rental and revenue related costs	(841,9)	(753,3)
(107,5)	(85,5)	Personnel costs	(404,7)	(339,2)
(69,6)	(49,5)	Network and head office overhead	(250,0)	(215,9)
9,0	5,7	Other income and expense	14,2	9,7
(168,1)	(129,3)	Personnel costs, network and head office overhead, IT and other	(640,6)	(545,4)
(14,6)	(15,1)	Net fleet financing expense	(59,9)	(62,0)
(12,0)	(11,4)	Estimated interest included in operating leases	(47,3)	(47,5)
(26,6)	(26,5)	Fleet financing expenses, including estimated interest included in operating leases	(107,2)	(109,5)
46,5	40,3	Adjusted Corporate EBITDA	263,8	253,9
7,9%	8,1%	Margin	10,9%	11,8%
(7,7)	(10,0)	Depreciation – excluding vehicle fleet	(29,9)	(32,3)
(28,5)	(23,2)	Other operating income and expenses	(70,7)	(20,7)
(36,3)	(18,5)	Other financing income and expense not related to the fleet	(80,7)	(59,1)
(25,9)	(11,4)	Profit/loss before tax	82,6	141,7
9,2	38,5	Income tax	(13,4)	(6,6)
(0,2)	(6,7)	Share of profit/(loss) of associates	(8,1)	(15,8)
(16,9)	20,4	Net profit/(loss)	61,1	119,3

IFRS P&L Q4 & FY 2017

Q4 2017	Q4 2016	All data in €m	12M 2017	12M 2016
589,9	495,6	Total revenue	2 411,7	2 150,8
(156,8)	(130,1)	Fleet holding costs	(605,4)	(536,3)
(204,0)	(180,9)	Fleet operating, rental and revenue related costs	(841,9)	(753,3)
(107,5)	(85,5)	Personnel costs	(404,7)	(339,2)
(69,6)	(49,5)	Network and head office overhead	(250,0)	(215,9)
9,0	5,7	Other income and expense	14,2	9,7
(7,7)	(10,0)	Depreciation – excluding vehicle fleet	(29,9)	(32,3)
53,4	45,4	Recurring operating income	293,9	283,5
(28,5)	(23,2)	Other non-recurring income and expenses	(70,7)	(20,7)
25,0	22,2	Operating income	223,2	262,8
(50,8)	(33,6)	Net financing costs	(140,7)	(121,1)
(25,9)	(11,4)	Profit/(loss) before tax	82,6	141,7
9,2	38,5	Income tax	(13,4)	(6,6)
(0,2)	(6,7)	Share of profit/(loss) of associates	(8,1)	(15,8)
(16,9)	20,4	Net profit/(loss)	61,1	119,3
(16,9)	20,3	Net profit/(loss) attributable to Europcar owners	61,3	119,5

Reconciliation Q4 & FY 2017

Q4 2017	Q4 2016	All data in €m	12M 2017	12M 2016
191,7	161,1	Adjusted Consolidated EBITDA	821,1	754,5
(58,2)	(41,5)	Fleet depreciation IFRS	(213,0)	(181,9)
(60,5)	(52,8)	Fleet depreciation included in operating lease rents	(237,1)	(209,3)
(118,7)	(94,3)	Total Fleet depreciation	(450,0)	(391,2)
(12,0)	(11,4)	Interest expense related to fleet operating leases (estimated)	(47,3)	(47,5)
(14,6)	(15,1)	Net fleet financing expenses	(59,9)	(62,0)
(26,6)	(26,5)	Total Fleet financing	(107,2)	(109,5)
46,5	40,3	Adjusted Corporate EBITDA	263,8	253,9
(7,7)	(10,0)	Amortization, depreciation and impairment expense	(29,9)	(32,3)
14,6	15,1	Reversal of Net fleet financing expenses	59,9	62,0
12,0	11,4	Reversal of Interest expense related to fleet operating leases (estimated)	47,3	47,5
65,4	56,8	Adjusted recurring operating income	341,2	331,0
(12,0)	(11,4)	Interest expense related to fleet operating leases (estimated)	(47,3)	(47,5)
53,4	45,4	Recurring operating income	293,9	283,5

Management Cash flow

Q4 2017	Q4 2016	All data in €m	12M 2017	12M 2016
47	40	Adjusted Corporate EBITDA	264	254
(29)	(22)	Non-recurring expenses	(71)	(28)
(13)	(9)	Non-fleet capital expenditure (net of proceeds from disposals)	(46)	(31)
(43)	(12)	Changes in non-fleet working capital and provisions	(21)	(15)
(11)	(7)	Income tax paid	(35)	(23)
(50)	(9)	Corporate free cash flow	91	157
(17)	(18)	Cash interest paid on corporate High Yield bonds	(34)	(31)
(67)	(28)	Cash flow before change in fleet asset base, financing and other investing activities	57	126
(516)	(46)	Other investing activities	(743)	(73)
-	(126)	Change in fleet asset base, net of drawings on fleet financing and working capital facilities	(47)	(153)
(1)	-	Capital increase	191	-
-	(5)	Dividends	(59)	(5)
600	(1)	Change in Corporate High Yield	600	130
91	142	Change in RCF (Corporate part)	96	-
(4)	7	Transaction cost cash out and swap impact	(25)	(6)
104	(57)	Net change in cash before FX effect	70	19
211	303	Cash and cash equivalents at beginning of period	249	229
1	(2)	Effect of foreign exchange conversions	5	(0)
313	248	Cash and cash equivalents at end of period	313	248

Financing structure as of December 31, 2017

average	Average Fleet net debt for FY 2017	
	In balance sheet	1 888
	Off Balance Sheet	1 813
	Total Fleet net debt	3 701
LTV	Indebtedness at the testing date	1 082
	Total value of the net assets	1 174
	Loan to value ratio	92%

€million	Pricing	Maturity	Dec. 31, 2017	Dec. 31, 2016
High Yield Senior Notes (a)	4.125%	2024	600	0
High Yield Senior Notes (a)	5.75%	2022	600	600
Senior Revolving Facility (€500m)	E+225bps (b)	2022	160	13
FCT Junior Notes, accrued interest not yet due, capitalized financing costs and other			(270)	(203)
GROSS CORPORATE DEBT			1 090	410
Short-term Investments and Cash in operating and holding entities			(263)	(189)
CORPORATE NET DEBT			(A) 827	220

€million	Pricing	Maturity	Dec. 31, 2017	Dec. 31, 2016
High Yield EC Finance Notes (a)	2.375%	2022	350	350
Senior asset revolving facility (€1.3bn SARF) (c)	E+150bps	2020	739	693
FCT Junior Notes, accrued interest, financing capitalized costs and other			260	200
UK, Australia and other fleet financing facilities		Various (d)	1 081	491
GROSS FINANCIAL FLEET DEBT			2 430	1 734
Cash held in fleet financing entities and Short-term fleet investments			(143)	(150)
Fleet net debt in Balance sheet			2 287	1 584
Debt equivalent of fleet operating leases - OFF Balance Sheet (e)			1 774	1 461
TOTAL FLEET NET DEBT (incl. op leases)			(B) 4 061	3 045
TOTAL NET DEBT			(A)+(B) 4 888	3 265

IFRS Balance Sheet

In € thousands	At Dec. 31, 2017	At Dec. 31, 2016
Assets		
Goodwill	1 138 793	459 496
Intangible assets	809 960	715 209
Property, plant and equipment	114 855	84 102
Equity-accounted investments	4 036	14 083
Other non-current financial assets	58 602	67 820
Financial instruments non-current	226	-
Deferred tax assets	56 757	58 743
Total non-current assets	2 183 229	1 399 453
Inventory	24 330	16 843
Rental fleet recorded on the balance sheet	2 342 605	1 640 251
Rental fleet and related receivables	700 117	720 623
Trade and other receivables	456 688	365 200
Current financial assets	32 762	77 003
Current tax assets	42 760	35 585
Restricted cash	104 818	105 229
Cash and cash equivalents	240 792	154 577
Total current assets	3 944 872	3 115 311
Total assets	6 128 101	4 514 764

Equity		
Share capital	161 031	143 409
Share premium	745 748	647 514
Reserves	(106 756)	(111 681)
Retained earnings (losses)	37 209	(48 706)
Total equity attributable to the owners of ECG	837 232	630 536
Non-controlling interests	763	730
Total equity	837 995	631 266
Liabilities		
Financial liabilities	1 570 141	953 240
Non-current financial instruments	37 122	56 216
Employee benefit liabilities	133 951	139 897
Non-current provisions	8 680	18 640
Deferred tax liabilities	128 803	107 848
Other non-current liabilities	276	246
Total non-current liabilities	1 878 973	1 276 087
Current portion of financial liabilities	1 950 262	1 224 442
Employee benefits	3 149	3 247
Current provisions	219 455	220 752
Current tax liabilities	31 566	39 227
Rental fleet related payables	604 196	679 678
Trade payables and other liabilities	602 505	440 065
Total current liabilities	3 411 133	2 607 411
Total liabilities	5 290 106	3 883 498
Total equity and liabilities	6 128 101	4 514 764

IFRS Cash Flow

(1) Of which in 2017, the reversal of provision for disputes with French Competition Authority for €45 million, the accrual of provision related to the Trading Standard investigation in the UK for (€43) million, Insurance (€6.1million), Buybackprovision for (€0.7million) and the change in employee benefits (€3.2) million.

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

(3) In 2017, increase in tax paid compared with 2016 given the one-off large amounts cashed-in in 2016 from the tax authorities in Spain and UK.

(4) Mainly related to IT cost capitalized (€34.6) million; other & technical equipment for (€22.6) million.

(5) Of which Buchbinder acquisition price (€109.8) million, Goldcar acquisition price (€562) million, Denmark franchisee acquisition price (€51.7) million, Ubeeqo minority's stake acquisition price (€7.0) million, minority stake in a start-up SnappCar (€8.0) million, payment of a first earn out related to the franchisee acquisition in Ireland, business acquisition of Australian franchisee (€1.7) million, French franchisee acquisition price (€1.4) million, subscription to the Car 2 Go capital increase for (€10.3) million and cash related to entities acquired for €29.5 million in 2017.

(6) Of which €21.7 million Capital increase reserved for employees (ESOP) and €170.7 million Capital increase on private placement.

(7) In 2017, issue of a new bond for €600 million; in 2016, issue of a new bond for €125 million.

(8) In 2017, of which €147 million related to drawing variation under Senior Revolving Credit Facility.

(9) Transaction costs of which €5 million for revolving facility Upfront fee, €5.2 million for bridge facilities, €12.1 million for other facilities.

(10) Due to the change of Ubeeqo consolidation method from equity method to full consolidation starting March 1, 2017.

<i>In € thousands</i>	Twelve months 2017	Twelve months 2016
Profit/(loss) before tax	82 569	141 687
Reversal of the following items		
Depreciation and impairment expenses on property, plant and equipment	15 926	14 894
Amortization and impairment expenses on intangible assets	13 390	17 056
Changes in provisions and employee benefits (1)	(8 065)	(23 015)
Recognition of share-based payments	2 763	(304)
Profit/(loss) on disposal of assets	(3 074)	-
Other non-cash items	(3 561)	346
Total net interest costs	106 834	98 617
Amortization of transaction costs	9 896	7 813
Net financing costs	116 730	106 430
Net cash from operations before changes in working capital	216 678	257 094
Changes to the rental fleet recorded on the balance sheet (2)	(101 710)	(20 643)
Changes in fleet working capital	(1 421)	(126 151)
Changes in non-fleet working capital	(15 045)	3 997
Cash generated from operations	98 502	114 297
Income taxes received/paid (3)	(34 816)	(22 744)
Net interest paid	(110 279)	(98 746)
Net cash generated from (used by) operating activities	(46 593)	(7 193)
Acquisition of intangible assets and property, plant and equipment (4)	(54 530)	(36 905)
Proceeds from disposal of intangible assets and property, plant and equipment	11 767	6 109
Other investments and loans	13 912	(27 562)
Acquisition of subsidiaries, net of cash acquired (5)	(743 327)	(45 740)
Net cash used by investing activities	(772 178)	(104 098)
Capital increase (net of related expenses) (6)	190 688	-
Special distribution	(59 366)	-
Issuance of bonds (7)	600 000	130 625
(Purchases) / Sales of treasury shares net	(520)	(4 877)
Change in other borrowings (8)	184 149	11 271
Payment of transaction costs (9)	(25 720)	(6 451)
Net cash generated from (used by) financing activities	889 231	130 568
Cash and cash equivalent at beginning of period	248 507	229 368
Net increase/(decrease) in cash and cash equivalents after effect of foreign exchange differences	70 460	19 277
Changes in scope (10)	(2 983)	-
Effect of foreign exchange differences	(2 733)	(138)
Cash and cash equivalents at end of period	313 251	248 507

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, Ireland, Denmark 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:** number of actual rental days as a percentage of the theoretical total potential number of days of the fleet. The theoretical total potential number of days of the fleet is equal to the number of vehicles held over the period, multiplied by the total number of days in the period
- **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



Europocar